



# **PRABHU STEEL INDUSTRIES LIMITED**

**47<sup>th</sup>**  
**ANNUAL REPORT**  
**2018-19**

# CORPORATE INFORMATION

## BOARD COMMITTEE

Dinesh Gangaram Agrawal	: Managing Director
Krishankumar Rambilash Agarwal	: Independent Director
Radheshyam Laxminarayan Agrawal	: Non-Executive Director
Harish Gangaram Agrawal	: Executive Director
Sonali Pramod Paithankar	: Independent Director
Pramod Dnyaneshwar Kale	: Independent Director

## AUDIT COMMITTEE

Krishankumar Rambilash Agarwal	: Chairman
Dinesh Gangaram Agrawal	: Member
Sonali Pramod Paithankar	: Member
Pramod Dnyaneshwar Kale	: Member

## SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE

Krishankumar Rambilash Agarwal	: Chairman
Harish Gangaram Agrawal	: Member
Sonali Pramod Paithankar	: Member

## NOMINATION AND REMUNERATION COMMITTEE

Krishankumar Rambilash Agarwal	: Chairman
Sonali Pramod Paithankar	: Member
Pramod Dnyaneshwar Kale	: Member

**REGISTERED OFFICE**

NEAR OLD MOTOR STAND ITWARI

NAGPUR - 440008

Tel No: 0712-2768743

Email Id :- prabhu.steel@yahoo.com

Web Site :- www.prabhusteel.com

**BANKERS**

IDBI Bank, Civil Line Branch

Nagpur Nagrik Sahakari Bank Ltd,

Itwari Branch

**LISTED AT**

Bombay Stock Exchange Limited

( Scrip Code: 506042)

**AUDITORS**

Mr. Gulshan Jagdish Jham (M.No.408315)

Chartered Accountants

C/O Preetam Vastralaya

Seoni Road, Chhindwara

**COMPANY SECRETARY & COMPLIANCE****OFFICER**

Jyotika Kirit Mehta

88, Kansari Para Road, Near Harish Park,

Bhowanipur, Kolkata,

West Bengal- 700025

**REGISTRAR SHARE TRANSFER AGENT****Purva Sharegistry (India) Pvt. Ltd**

Shiv Shakti Industrial Estate, Unit No. 9, J R

Boricha Marg, Sitarmil Complound, Lower

Parel, Mumbai, Maharashtra, 400011 Tel No:

Tel No: 022 - 23016761

E-Mail Id: busicomp@vsnl.com

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# NOTICE

NOTICE IS HEREBY GIVEN THAT THE 47TH ANNUAL GENERAL MEETING OF THE MEMBERS OF **PRABHU STEEL INDUSTRIES LIMITED** TO BE HELD AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT NEAR OLD MOTOR STAND ITWARI NAGPUR - 440008 ON **AUGUST 8th 2019, THURSDAY AT 11:00 A.M.** TO TRANSACT THE FOLLOWING BUSINESS:

## **ORDINARY BUSINESS**

- 1.To receive, consider and adopt the Audited Balance Sheet as at March 31, 2019 and the Profit and Loss Account for the year ended on that date together with the Schedules thereon, along with the Reports of the Directors and Auditors thereon.**
- 2.To appoint a Director in place of Mr. Dinesh Gangaram Agrawal, Managing Director (DIN: 00291086) who retires by rotation and being eligible offered himself for re-appointment.**
- 3.To appoint a Director in place of Mr. Harish Agrawal, Executive Director (DIN: 00291083) who retires by rotation and being eligible offered himself for re-appointment.**
- 4.To Consider the appointment of Mr. Gulshan Jagdish Jham, Chartered Accountant , as Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution**

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules, circulars, notifications made/issued there under, including any amendments, modification, variation or re-enactment thereof, the appointment of Mr. Gulshan Jagdish Jham, Chartered Accountant, bearing Firm Membership No. 408315 as the Statutory Auditors of the Company, who holds the office for a term of Five Years, from the conclusion of the Annual General Meeting to be held on 08.08.2019 till the conclusion of Annual General Meeting of the Company to be held in the year 2024 (subject to ratification of their appointment at every Annual General Meeting) and to fix their remuneration as may be agreed upon, be and is hereby ratified.”

**“RSOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable an expedient for giving effect to this resolution and/or otherwise considered by them to be in the best interest of the Company including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

the conclusion of Annual General Meeting of the Company to be held in the year 2021 (subject to ratification of their appointment at every Annual General Meeting) and to fix their remuneration as may be agreed upon, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this resolution and/or otherwise considered by them to be in the best interest of the Company including fixation of their remuneration and reimbursement of out of pocket expenses incurred in connection hereto.”

## **SPECIAL BUSINESS**

- 5.Regularisation Of Additional Director, Mr Pramod Dnyaneshwar Kale By Appointing Him As Independent Director Of The Company**

**To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT**, Mr. Pramod Dnyaneshwar Kale (DIN- 08336145), who was appointed as an Additional Director with effect from 6th February, 2019 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby severally authorized to sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

**6.Regularisation Of Additional Director, Ms Sonali Pramod Paithankar By Appointing Her As Independent Director Of The Company**

**“RESOLVED THAT**, Ms. Sonali Pramod Paithankar (DIN- 08336128), who was appointed as an Additional Director with effect from 6<sup>th</sup> February, 2019 on the Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company.

**RESOLVED FURTHER THAT**, the Board of Directors of the Company be and are hereby severally authorized to sign the requisite forms / documents and to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution.”

## NOTES:

1. A Member entitled to attend and Vote at the meeting is entitled to appoint a proxy to attend and to vote instead of himself / herself and the proxy need not be a member of the Company. The instrument appointing a proxy, in order to be effective, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. A person can act as a proxy on behalf of not exceeding fifty Members and holding in the aggregate not more than 10% of Total Paid-up Share Capital of the Company. Any member holding more than 10% of the Total paid-up capital of the company may appoint a single person as proxy and in such case, the said person shall not act as a proxy for any other person or member. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Annual General Meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the meeting.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
4. Members are requested to bring their admission slip along with copy of the report and accounts to Annual General Meeting.
5. Relevant documents referred to in the accompanying Notice & Explanatory Statement would be available for inspection by the members at the Registered Office of the Company on all working days, except Saturday / Sunday & Public Holidays, between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 2<sup>nd</sup> August, 2019 to Thursday, 8<sup>th</sup> August, 2019 (Both Days Inclusive) for the purpose of the Annual General Meeting.
7. Members are requested to notify immediately any changes, if any, in their registered addresses at an early date to the Registrar and Share Transfer Agent, quoting their folio numbers/client ID/ DP ID in all correspondence, so as to enable the Company to address any future communication at their correct address.
8. Members attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting Venue.
9. Members desirous of seeking any information concerning the Accounts of the Company are requested to address their queries in writing to the Company at least seven days prior to the Annual General Meeting so that the requested information can be made available at the time of the meeting.
10. Members holding shares in physical forms are requested to consider converting their holding to dematerialized form to eliminate all risk associated with physical shares and for ease in portfolio management. Member can contact the Company or the Company's Registrar and Transfer Agent, Purva Sharegistry (India) Pvt. Ltd, for assistance in this regard. Members are, therefore, requested to dematerialize their shareholding to avoid inconvenience.
11. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
12. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
13. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members holding shares in single name are advised, in their own interest to avail of the nomination facility by filling form 2B. Members holding shares in the dematerialized form may contact their depository Participant for recording nomination with their depository Participant for recording nomination in respect of their shares.

14. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken "Green Initiative in Corporate Governance" and allowed Companies to share documents with its shareholders through an electronic mode. Electronic copy of the Annual Report for 2019 is being sent to all the members whose Email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2019 is being sent in the permitted mode. Members holding shares under multiple folios in identical order of names are requested to consolidate their holdings into one folio.
15. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository participants and in respect of old shares held in physical form with the Company's Registrar & Share Transfer Agent. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/Registrar & Share Transfer Agent.
16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made there under, Companies can serve Annual Reports & other communications through electronic mode to those members whose email IDs are registered with the Company. As per provisions of Section 20 of the Companies Act, 2013 read with Rules there under, a document may be served on any member by sending it to him/her by post or by registered post or by speed post or by courier or by delivering at his/her office/home address or by such electronic mode as may be prescribed including by facsimile telecommunication or to electronic mail address, which the member has provided to the Company from time to time for sending communications, provided that a member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the Company in its Annual General Meeting. For members who have not registered their email address with the Company, the service of documents will be affected by other modes of services as provided in Section 20 of the Companies Act, 2013 read with the relevant Rules there under. Printed copies of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip, Ballot Paper and Proxy Form is being sent to all members in the permitted mode.
17. Members may also note that the Notice of the Annual General Meeting and the Annual Report for 2019 will also be available on the Company's website [www.prabhusteel.com](http://www.prabhusteel.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office 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, free of cost. For any communication, the shareholders may also send requests to the Company's designated email id: mail to: [prabhu.steel@yahoo.com](mailto:prabhu.steel@yahoo.com).
18. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
19. In terms of relevant provisions of SEBI (LODR) 2015, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Mr. Jaymin Modi, Scrutinizer, A/302, Om Mahavir CHSL, Navghar Cross, S.V Road, Bhayandar (East), Thane - 401105.
20. Members can request for a Ballot Form at Prabhu Steel Industries Ltd, Near Old Motor Standitwari Nagpur - 440008, Tel No: 022-61834395, Email Id:- [prabhu.steel@yahoo.com](mailto:prabhu.steel@yahoo.com), Web Site :- [www.prabhusteel.com](http://www.prabhusteel.com)
21. E-voting: In compliance with Section 108 of the Companies Act, 2013 and Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and all the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).



22. The E-voting period for all items of business contained in this Notice shall commence from August 5, 2019, Monday at 9.00 a.m. and will end on August 7, 2019, Wednesday at 5.00 p.m. During this period equity shareholders of the Company holding shares either in physical form or in dematerialized form as on the cutoff date of August 1, 2019, 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 any Member, he/she shall not be allowed to change it subsequently. The voting rights of Members shall be in proportion to their equity shareholding in the paid up equity share capital of the Company as on August 1, 2019.
23. M/s Jaymin Modi & Co., Company Secretaries (Membership No. ACS 44248) has been appointed as the Scrutinizer to Scrutinize the E-voting process in a fair and transparent manner (including the Ballot Form received from the members who do not have access to the e-voting process) in a fair and transparent manner.
24. The Scrutinizer shall immediately after the conclusion of voting at the meeting, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least 2 witnesses not in the employment of the Company and make, not later than 2 days of conclusion of the meeting and after scrutinizing such votes received shall make a Scrutinizer's report of the votes cast in favor or against or invalid votes in connection with the resolution(s) mentioned in the Notice of the Meeting and submit the same forthwith to the Chairman of the Company.
25. The Results of E-voting shall be declared at the AGM of the Company and the results along with Scrutinizer's report shall be placed on the website of the Company thereafter and shall also be communicated to the Stock Exchanges. The Resolutions shall be deemed to be passed, if approved, on the date of AGM.
26. (A) Voting through electronic means:

Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the **business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).**

The Company has approached NSDL for providing e-voting services through our e-voting platform. In this regard, your Demat Account/Folio Number has been enrolled by the Company for your participation in e-voting on resolution placed by the Company on e-Voting system.

The Notice of the Annual General Meeting (AGM) of the Company inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form can be downloaded from the link <https://www.evoting.nsdl.com> or ([www.prabhusteel.in](http://www.prabhusteel.in))

**The e-voting period commences on August 5, 2019 (9:00 am) and ends on August 7, 2019 (5:00 pm).** During this period shareholders' of the Company, may cast their vote electronically. The e-voting module shall also be disabled for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 1<sup>st</sup> August, 2019. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 6th June, 2019, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or ([prabhu.steel@yahoo.com](mailto:prabhu.steel@yahoo.com)) .

The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

**The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

**Step 1 : Log-in to NSDL e-Voting system**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
  - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*).
  - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
    - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - ii. If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a. Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b. “[Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2 : Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.

4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders:**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail ([csjayminmodi@gmail.com](mailto:csjayminmodi@gmail.com)) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

Please note the following:

A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith

Other information:

- Your login id and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are the shareholder.
- It is strongly recommended not to share your password with any other person and take utmost care to keep it confidential.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

Assuring you of our best services,

Regards,

e-Voting support desk

National Securities Depository Limited ([www.nsdl.co.in](http://www.nsdl.co.in))

Bonus Issue and increase in the authorized capital as set out in the accompanying Notice.

Directors, Key Managerial Personnel of the Company and their relatives are not in any way, concerned or interested in the resolution, except to the extent of shares and/or stock options in the company that may be held by them or their relatives or any entity in which they may be deemed to be concerned or interested.

**Registered Office:**  
**NEAR OLD MOTOR STAND ITWARI ,**  
**NAGPUR - 440008**

**By order of the Board**  
**For Prabhu Steel Industries Limited**

\_\_\_\_Sd/-\_\_\_\_\_  
**Dinesh Gangaram Agarwal**  
**Managing Director**  
**DIN- 00291086**

\_\_\_\_Sd/-\_\_\_\_\_  
**Harish Agarwal**  
**Director**  
**DIN- 00291083**

**Place: Nagpur**  
**Date: 13.07.2019**

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

Detail of the Directors seeking Re-appointment in the forth coming Annual General Meeting in pursuance of Listing Regulations.

<b>Particulars</b>	<b>Details</b>
Name of the Director	Mr. Dinesh Gangaram Agrawal
Date of Birth	22-03-1966
Date of initial appointment	16-12-2013
Other Companies in which Directorship is held as on March 31, 2019	4 (Four)
Chairman of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	NIL
Members of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	Hariyana Metals Limited

<b>Particulars</b>	<b>Details</b>
Name of the Director	Harish Gangaram Agrawal
Date of Birth	10-07-1963
Date of initial appointment	28-03-2008
Other Companies in which Directorship is held as on March 31, 2019	3 (Three)
Chairman of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	NIL
Members of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	Hariyana Metals Limited

## DIRECTORS' REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 47<sup>th</sup> Annual Report together with audited statement of accounts of the Company for the year ended on 31<sup>st</sup> March 2019.

### FINANCIAL RESULTS:

The financial performance of your Company for the year ended March 31, 2019 is summarized below:-

Particulars	2018-19	2017-18
Total Income	28,04,15,680	30,61,70,408
Total Expenses	27,88,07,981	27,86,33,315
Profit/(Loss) before Tax	16,07,699	2,75,37,093
Less: Tax expense	6,25,006	54,70,814
Profit/ (Loss) after tax	9,82,693	2,20,66,279

### BUSINESS PERFORMANCE AND SEGMENT REPORTING:

During the year, revenue of the Company is Rs. 28,04,15,680. Your Company continues to trade in steel plates, which is major source of segment in the Company. Also, your Company manages to cut down expenses, and as result, manages to earn profit in the current fiscal, compare to previous year.

### INDUSTRY OVERVIEW:

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

### ADEQUACY OF INTERNAL CONTROL:

The Company has robust internal control systems in place which are commensurate with the size and nature of the business. The internal controls are aligned with statutory requirements and designed to safeguard the assets of the Company. The internal control systems are complemented by various Management Information System (MIS) reports covering all areas. Increased attention is given to auto generation of MIS reports as against manual reports to take care of possible human errors or alteration of data. The Management reviews and strengthens the controls periodically.

### HUMAN RESOURCE DEVELOPMENT:

The Company recognizes the importance of Human Resource as a key asset instrumental in its growth. The Company believes in acquisition, retention and betterment of talented team players. With the philosophy of inclusive growth, the Company has redefined its performance management system. The new system focuses on progression of individual employees together with organizational goals. Under the new system increased thrust will be on job rotation and multi-skilling.

**MANPOWER:**

The company recognizes the importance of human value and ensures that proper encouragement both moral and financial is extended to employees to motivate them.

**SEGMENT-WISE PERFORMANCE:**

The Company is into single reportable segment only.

**COMPLIANCE:**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes.

**CAUTIONARY STATEMENT:**

Investors are cautioned that this discussion contains statements that involve risks and uncertainties. Words like anticipate, believe, estimate intend, will, expect and other similar expressions are intended to identify "Forward Looking Statements". The company assumes no responsibility to amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events. Actual results could differ materially from those expressed or implied.

**DIVIDEND:**

The Board of Directors has not recommended any Dividend for the year.

**SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary Company.

**SHARE CAPITAL:**

The Company has not changed its capital structure during 2018-19.

**ACCEPTANCE OF FIXED DEPOSITS:**

The Company has not accepted any Fixed Deposits from general public within the purview of Section 73, of the Companies Act, 2013, read with the Companies (Acceptance of Deposit) Rule, 2014, during the year under review.

**EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules 2014, the extract of annual return is annexed herewith as **ANNEXURE-I** and forming part of the report.

**PARTICULARS OF CONTRACT OR ARRANGEMENT WITH RELATED PARTY:**

During the year under review, the transactions entered into by the Company with related parties as defined under the Act and the Listing Regulations, were in the ordinary course of Business and on arm's length basis.

Omnibus approval is obtained for the transactions foreseen and repetitive in nature with related parties. A statement of all such related party transactions is presented before the Audit Committee on periodic and need basis for its review and approval.

Particulars of contracts or arrangements with related parties as required under Section 134(3)(h) of the Act, in the prescribed Form AOC-2 is given in **ANNEXURE -II** of this Report.

Disclosure of transactions with related parties as required under the applicable Accounting Standards have been made in the notes forming part of the financial statements.

**LOANS, INVESTMENT AND GUARANTEES BY THE COMPANY:**

There are loans given, investment made however no guarantee is given or security provided by the Company to any entity under Section 186 of the Companies Act, 2013. Particulars of Investment made/loan given under section 186 of the Companies Act, 2013 are provided in the financial statement.

**INTERNAL FINANCIAL CONTROLS:**

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observations has been received from the Auditor of the Company for inefficiency or inadequacy of such controls.

**DISCLOSURES UNDER SECTION 134(3) (I) OF THE COMPANIES ACT, 2013:**

No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and the date of this report, except as disclosed elsewhere in this report.

**DIRECTORS:**

Mr. Dinesh Gangaram Agrawal (DIN: 00291086) and Mr. Harish Gangaram Agrawal (DIN: 00291083), who retires by rotation and, being eligible, offers himself for re-appointment. If re-appointment, his term would be in accordance with the policy for directors of the Company.

Particulars	Details
Name of the Director	Mr. Dinesh Gangaram Agrawal
Date of Birth	22-03-1966
Date of initial appointment	16-12-2013
Other Companies in which Directorship is held as on March 31, 2019	4 (Four)
Chairman of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	NIL
Members of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	Hariyana Metals Limited

Particulars	Details
-------------	---------



Name of the Director	Harish Gangaram Agrawal
Date of Birth	10-07-1963
Date of initial appointment	28-03-2008
Other Companies in which Directorship is held as on March 31, 2019	3 (Three)
Chairman of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	NIL
Members of Committees formed by Board of Other Companies on which he is a Director as on March 31, 2019	Hariyana Metals Limited

#### **BOARD OF DIRECTORS:**

The Company is managed by well-qualified professionals. All directors are suitably qualified, experienced and competent. The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts, Finance, Administration and Marketing. The Company is benefitted by the experience and skills of the Board of Directors. The Independent Directors have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the company which could have potential conflict of interest with the company at large. The Company has a Code of Conduct for Directors and Senior Management personnel. The code is available on the official website of the [www.prabhusteel.com](http://www.prabhusteel.com).

#### **MEETINGS OF THE BOARD OF DIRECTORS:**

During the year under review, total Eight (8) meetings of the Board were held, details of which are given in the Corporate Governance Report that forms part of this Annual Report.

#### **DIRECTORS REMUNERATION POLICY:**

The Board on the recommendation of the Nomination and Remuneration Committee has framed a Remuneration policy, providing criteria for determining qualifications, positive attributes, independence of a Director and a policy on remuneration for Directors, key managerial personnel and other employees. The detailed Remuneration policy is placed on the Company's website.

#### **KEY MANAGERIAL PERSONNEL:**

During the year under review Mr. Sunny Gupta was appointed as Company Secretary and designated as "Key Managerial Personnel" of the Company pursuant to Section 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with effect from December 07, 2018. Also, for the period under review Ms. Charmi Sanghvi has resigned as the Company Secretary and designated as "Key Managerial Personnel" of the Company pursuant to Section 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with effect from December 07, 2018.

#### **STANDALONE FINANCIAL STATEMENT:**

The audited Standalone financial statement of the Company prepared in accordance with relevant Accounting Standards (AS) issued by the Institute of Chartered Accountants of India forms part of this Annual Report. The Compliance Officer will make these documents available upon receipt of a request from any member of the Company interested in obtaining the same. These documents will also be available for inspection at the Registered Office of your Company during working hours up to the date of the Annual General Meeting.

#### **DECLARATIONS BY INDEPENDENT DIRECTOR:**

Pursuant to the provisions of Sub-Section (7) of Section 149 of the Companies Act 2013, the Company has received individual declarations from all the Independent Directors confirming that they fulfill the criteria of independence as specified in Section 149(6) of the Companies Act 2013.

#### **AUDITORS:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, the current auditors of the Company, **M/S Lalit Jham & Co.**, Chartered Accountants, Nagpur, hold office up to the conclusion of the ensuing Annual General Meeting of the Company. However, their tenure for appointment as Auditor of the Company has expired and shall not be eligible for re-appointment / ratification in the ensuing Annual General Meeting of the Company to be held on 8<sup>th</sup> August, 2019.. The Board of Directors of the Company at their meeting held on 13<sup>th</sup> July, 2019 has considered and approved to appoint Mr. Gulshan Jagdish Jham, Chartered Accountant as the Statutory Auditor of the Company , subject to the approval of the Members at the ensuing Annual General Meeting, who shall hold the office for a term of five years , from the conclusion of the Annual General Meeting to be held on 08.08.2019 till the conclusion of Annual General Meeting of the Company to be held in the year 2024 (subject to ratification of their appointment at every Annual General Meeting).

#### **AUDITORS REPORT:**

The observations and comments furnished by the Auditors in their report read together with the notes to Accounts are self- explanatory and hence do not call for any further comments under Section 134 of the Companies Act, 2013.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

In accordance with the requirement of Section 134 of the Companies Act, 2013, the Board of Directors of the Company confirms:

1. In the preparation of the annual accounts for the financial year ended 31st March, 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year ended 31<sup>st</sup> March, 2019.
3. That the Directors have taken sufficient and proper 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 material fraud and other irregularities.
4. That the Directors have prepared the Annual Accounts on a going concern basis.
5. There are no material changes & commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate & the date of the report.
6. There are proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
7. That 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.
8. Based on the framework of internal financial controls and compliance systems established and maintained by 2013 the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

#### **ANNUAL EVALUATION BY THE BOARD OF ITS OWN PERFORMANCE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

The Board of Directors of the Company has initiated and put in place evaluation of its own performance, its committees and individual Directors. The result of the evaluation is satisfactory and adequate and meets the requirement of the

Company. Information on the manner in which the annual evaluation has been made by the Board of its own performance and that of its Committee and individual Directors is given below.

#### **DETAILS OF THE COMMITTEES OF DIRECTORS:**

Composition of Audit Committee of Directors, Nomination and Remuneration Committee of Directors and Stakeholders Relationship/Grievance Committee of Directors, number of meetings held of each Committee during the financial year 2018-19 and meetings attended by each member of the Committee as required under the Companies Act, 2013 are provided in Corporate Governance Report and forming part of the report. The recommendation by the Audit Committee as and when made to Board has been accepted by it.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis as required under Regulation 34 read with Schedule V of the Listing Regulations forms part of this Annual Report as **ANNEXURE-III**.

#### **CORPORATE GOVERNANCE:**

The report on Corporate Governance as required by, SEBI (LODR), Regulations, 2015 is attached separately in the Annual Report. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year 2018-19. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report. The Managing Director have certified to the Board with regard to the financial statements and other matters as required under Regulation 17(8) of the SEBI (LODR), Regulations, 2015.

#### **COMMITTEES OF THE BOARD:**

The Board Committee plays a crucial role in the governance structure of the Company and has been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committee are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings.

The Board has constituted following Committees of Directors:

- Audit Committee,
- Nomination & Remuneration Committee, and
- Stakeholder's Relationship Committee.

- **AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

➤ Composition:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Krishnakumar Rambilash Agarwal	Independent Director	Chairman	4	4
Dinesh Ganagram Agrawal	Executive Director	Member	4	4

Sonali Pramod Paithankar	Independent Director	Member	4	2
Pramod Dyaneshwar Kale	Independent Director	Member	4	2

➤ **Terms of reference:**

The broad terms of reference of the Audit Committee are as under:

- Reviewing of the Company's financial reporting process and the disclosure of its financial information
  - To ensure that the financial statement is correct, sufficient and credible.
  - Recommending the appointment, remuneration and terms of appointment of external Auditor.
  - Review and monitor the auditor's independence and performance and effectiveness of audit process.
  - Approval or any subsequent modification of transactions of the company with related parties
  - Scrutiny of inter-corporate loans and investments
  - Valuation of undertakings or assets of the Company, wherever it is necessary.
  - Monitoring the end use of funds raised through public offers and related matters.
  - Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
  - Reviewing periodically the adequacy of the internal control system.
  - Discussions with Internal Auditor on any significant findings and follow up there on.
- **NOMINATION AND REMMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The Composition of the Committee is in conformity with the provisions of the said Section.

➤ **Composition:**

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Krishnakumar Rambilash Agarwal	Independent Director	Chairman	4	4
Sonali Pramod Paithankar	Independent Director	Member	4	2
Pramod Dyaneshwar Kale	Independent Director	Member	4	2

➤ **Terms of reference:**

The broad terms of reference of the Nomination and Remuneration Committee are asunder:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;

- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.
- **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of Directors was constituted pursuant to the provisions of Section 178(5) of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

➤ Composition:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Krishnakumar Rambilash Agarwal	Independent Director	Chairman	4	4
Harish Gangaram Agrawal	Executive Director	Member	4	4
Sonali Pramod Paithankar	Independent Director	Member	4	1

#### **SECRETARIAL AUDIT REPORT:**

A Secretarial Audit Report for the year ended **March 31, 2019** in prescribed form duly audited by the **Practicing Company Secretary, Jaymin Modi & Co.**, Mumbai is annexed herewith as **ANNEXURE-V** and forming part of the report.

#### **CODE OF CONDUCT:**

Regulations 17(5) of the SEBI (LODR) Regulations, 2015, requires listed Companies to lay down a Code of Conduct for its Directors and Senior Management, incorporating duties of Directors as laid down in the Companies Act, 2013. The Board has adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on Company's website.

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

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

#### **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 Rule 3 of Companies (Account) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is not applicable.

#### **INTERNAL AUDITOR:**

The Company has internal financial controls set out in the accounting system and Head of the Department controls all the financial and accounting decisions in the capacity as Internal Auditor.

**DISCLOSURE AS REQUIRED UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

As requirement of Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Company has already maintained internal policy to prevent women's harassment at work place and covered all employees so they could directly make complaints to the committee, if such situation arises. The management and Committee together with confirm total number of complaints received and resolved during the year is as follows:

a) No. of complaints received: NIL

b) No. of complaints disposed NIL

**MAXIMUM TENURE OF INDEPENDENT DIRECTORS:**

The maximum tenure of Independent Directors is in accordance with the Companies Act, 2013 and Regulation 25(2) of the SEBI (LODR) Regulations, 2015.

**DIRECTORS' INTEREST IN THE COMPANY:**

Sometime, the Company does enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

**SECRETARIAL STANDARDS:**

During the year under review, the Company has complied with Secretarial Standards on meetings of the Board of Directors ("SS-1") and on General Meetings ("SS-2") as amended and issued from time to time by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act, 2013.

**ACKNOWLEDGEMENT:**

The Directors take this opportunity to thank the Financial Institutions, Banks, Business Associates, Central and State Government authorities, Regulatory authorities, Stock Exchanges and all the various stakeholders for their continued co-operation and support to the Company and look forward to their continued support in future.

The Company thanks all of the employees for their contribution to the Company's performance. The Company applauds all the employees for their superior levels of competence, dedication and commitment to your Company.

**NEAR OLD MOTOR STAND ITWARI ,  
NAGPUR - 440008**

**By order of the Board  
For Prabhu Steel Industries Limited**

\_\_\_\_Sd/-\_\_\_\_\_  
**Dinesh Gangaram Agrawal**  
**Managing Director**  
**DIN- 00291086**

\_\_\_\_Sd/-\_\_\_\_\_  
**Harish Agrawal**  
**Director**  
**DIN- 00291083**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**(ANNEXURE I)**

As on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

Sr. No	Particulars	Details
1.	CIN	L28100MH1972PLC015817
2.	Registration Date	29 <sup>th</sup> May, 1972
3.	Name of the Company	Prabhu Steel Industries Limited
4.	Category / Sub-Category of the Company	Company limited by Shares Non-govt company
5.	Address of the Registered office and contact details	Near Old Motor Standitwari Nagpur -440008
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent:	Purva Sharegistry (India) Pvt. Ltd Shiv Shakti Industrial Estate, Unit No. 9, J R Boricha Marg, Sitarmil Complound, Lower Parel, Mumbai, Maharashtra, 400011

**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 and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Commercial Steel Trading - Wholesale	51909	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held	Applicable Section
1	Hariyana Metals Limited	L99999MH1975PLC018080	Associate Company	8.46%	Section 2

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year 31-03-2018				No. of Shares held at the end of the year 31-03-2019				% of Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A. Promoters									
(1) Indian									
(g) Individuals/	0	0	0	0	0	0	0	0	
Sub Total (A)(1):-	0	0	0	0	0	0	0	0	0
(2) Foreign									
(a) NRI Individuals	0	0	0	0.00	0	0	0	0.00	0
(b) Other Individuals									0
(c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
(d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0
(e) Any Other....	<b>210450</b>	<b>96750</b>	<b>307200</b>	<b>42.85%</b>	<b>210450</b>	<b>96750</b>	<b>307200</b>	<b>42.85%</b>	<b>0%</b>
HARISH G AGARWAL	45350	0	45350	6.32%	45350	0	45350	6.32%	0%
ANITA AGARWAL	45000	0	45000	6.28%	45000	0	45000	6.28%	0%
DINESH AGRAWAL	44050	0	44050	6.14%	44050	0	44050	6.14%	0%
OM PRAKASH AHGARWAL	0	15100	15100	2.11%	0	15100	15100	2.11%	0%
PREETI GANGARAM AGRAWAL	51050	0	51050	7.12%	51050	0	51050	7.12%	0%
SURUCHI DINESH AGRAWAL	25000	0	25000	3.49%	25000	0	25000	3.49%	0%
SURUCHI DINESH AGARWAL	0	20000	20000	2.79%	0	20000	20000	2.79%	0%
RADHESHYAM AGARWAL	0	1000	1000	0.14%	0	1000	1000	0.14%	0%
HARIYANA METALS LTD.	0	60650	60650	8.46%	0	60650	60650	8.46%	0%
Sub Total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0
Total shareholding of (Promoter (A) = (A)(1)+(A)(2)	<b>210450</b>	<b>96750</b>	<b>307200</b>	<b>42.85%</b>	<b>210450</b>	<b>96750</b>	<b>307200</b>	<b>42.85%</b>	<b>0%</b>



B. Public									
(1) Institutions									
(a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0
(b) Banks FI	0	0	0	0.00	0	0	0	0.00	0
(c) Central Govt	0	0	0	0.00	0	0	0	0.00	0
(d) State Govet(s)	0	0	0	0.00	0	0	0	0.00	0
(e) Venture Capital	0	0	0	0.00	0	0	0	0.00	0
(f) Insurance	0	0	0	0.00	0	0	0	0.00	0
(g) FIIs	0	0	0	0.00	0	0	0	0.00	0
(h) Foreign	0	0	0	0.00	0	0	0	0.00	0
(i)Others (specify)									
Sub-total (B)(1):-	0	0	0	0.00	0	0	0	0.00	0
(2) Non-									
(a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0
(i) Indian	0	0	0	0.00	0	0	0	0.00	0
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0
(b) Individuals									
(i)Individual shareholders holding nominal share capital up to Rs. 2 lakh	0	377100	377100	52.59%	0	377100	377100	52.59%	0%
SAYALI SAMEER DESHPANDE	0	11700	11700	1.63%	0	11700	11700	1.63%	0%
FALGUN C SHAH	0	8800	8800	1.23%	0	8800	8800	1.23%	0%
(ii)Individual shareholders holding nominal share capital in excess of Rs 2 lakh	0	0	0	0	0	0	0	0	0
<b>Any Other :</b>	<b>0</b>	<b>32700</b>	<b>32700</b>	<b>4.56%</b>	<b>0</b>	<b>32700</b>	<b>32700</b>	<b>4.56%</b>	<b>0%</b>
Bodies Corporate	0	32700	32700	4.56%	0	32700	32700	4.56%	0%
i) Holding 1% and above :	0	29750	29750	4.15%	0	29750	29750	4.15%	0%
*N.R.I.	0	0	0	0.00	0	0	0	0.00	0
*N.R.I. (REPAT)	0	0	0	0.00	0	0	0	0.00	0
*Foreign Corporate	0	0	0	0.00	0	0	0	0.00	0
* Trust	0	0	0	0.00	0	0	0	0.00	0
*HUF									
* Employee									
*Clearing Members	0	0	0	0.00	0	0	0	0.00	0
*Depository	0	0	0	0.00	0	0	0	0.00	0
Sub-total (B)(2):-	<b>0</b>	<b>409800</b>	<b>409800</b>	<b>57.15%</b>	<b>0</b>	<b>409800</b>	<b>409800</b>	<b>57.15%</b>	<b>0%</b>

Total Public Shareholding (B) = (B)(1)+(B)(2)	0	409800	409800	57.15%	0	409800	409800	57.15%	0%
C. TOTSHR held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0
<b>Grand Total (A + B + C)</b>	<b>210450</b>	<b>506550</b>	<b>717000</b>	<b>100%</b>	<b>210450</b>	<b>506550</b>	<b>717000</b>	<b>100%</b>	<b>0%</b>

**(i) Shareholding of Promoters**

SR No.	Shareholder's Name	Shareholding at the beginning of the year (As on 31st March, 2018)			Share holding at the end of the year (As on 31st March, 2019)			
		No. of Shares	% of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	HARISH AGARWAL G	45350	6.32%	0%	45350	6.32%	0%	0%
2	ANITA AGARWAL	45000	6.28%	0%	45000	6.28%	0%	0%
3	DINESH AGRAWAL	44050	6.14%	0%	44050	6.14%	0%	0%
4	OM PRAKASH AHGARWAL	15100	2.11%	0%	15100	2.11%	0%	0%
5	PREETI GANGARAM AGRAWAL	51050	7.12%	0%	51050	7.12%	0%	0%
6	SURUCHI DINESH AGRAWAL	25000	3.49%	0%	25000	3.49%	0%	0%
7	SURUCHI DINESH AGRAWAL	20000	2.79%	0%	20000	2.79%	0%	0%
8	RADHESHYA M AGARWAL	1000	0.14%	0%	1000	0.14%	0%	0%
9	HARIYANA METALS LTD	60650	8.46%	0%	60650	8.46%	0%	0%
	<b>Total</b>	<b>307200</b>	<b>42.85%</b>	<b>0%</b>	<b>307200</b>	<b>42.85%</b>	<b>0%</b>	<b>0%</b>

(ii) Change in Promoters' Shareholding (please specify, if there is no change): NO CHANGE

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	Nil	Nil	Nil	Nil
2.	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):	Nil	Nil	Nil	Nil
3.	At the End of the year	Nil	Nil	Nil	Nil

(iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

**D. Shareholding Pattern of top ten Shareholders:**

SI No.		Shareholding at the beginning of the year		Cumulative Shareholding at the end of the year		Type
		No. of Shares	% of Total Shares of the company	No. of Shares	% change in share holding during the year	
1	SAYALI SAMEER DESHPANDE	11700	1.63%	11700	1.63%	Equity
2	FALGUN C SHAH	8800	1.23%	8800	1.23%	Equity
3	VARSHA GOPALRAO KONDAWAR	7000	0.98%	7000	0.98%	Equity
4	RAHUL RUIKAR	7000	0.98%	7000	0.98%	Equity
5	NARAYANRAO DESHPANDE	7000	0.98%	7000	0.98%	Equity
6	SURESH KANHARE	7000	0.98%	7000	0.98%	Equity
7	NARAYANRAO DESHPANDE	7000	0.98%	7000	0.98%	Equity
8	GOPAL LAXMAN KONDAWAR	7000	0.98%	7000	0.98%	Equity
9	GOPAL LAXMAN KONDAWAR	7000	0.98%	7000	0.98%	Equity
10	AMIT SUNDERLAL GUJAR	7000	0.98%	7000	0.98%	Equity

**(iv) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
<b>(1) HARISH G AGARWAL</b>					
	At the beginning of the year	45350	6.32%	45350	6.32%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	45350	6.32%	45350	6.32%
<b>(2) DINESH AGRAWAL</b>					
	At the beginning of the year	44050	6.14%	44050	6.14%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	44050	6.14%	44050	6.14%
<b>(3) RADHESHYAM AGARWAL</b>					
	At the beginning of the year	1000	0.14%	1000	0.14%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	1000	0.14%	1000	0.14%

## V. INDEBTNESS

### Indebtness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	32338732.5	32000000	NIL	64338732.50
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>32338732.5</b>	<b>32000000</b>	<b>NIL</b>	<b>64338732.50</b>
Change in Indebtness during the financial year				
Addition				
Reduction	2677674	10000000	NIL	12677674
Net Change				
Indebtness at the end of the financial year				
i) Principal Amount	29661058.50	22000000	NIL	51661058.50
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>29661058.50</b>	<b>22000000</b>	<b>NIL</b>	<b>51661058.50</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sl. No.	Particulars of Remuneration	Dinesh Gangaram Agrawal (Managing Director)	Total Amount
1.	Gross salary	600000	600000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	
2.	Stock Option	NA	
3.	Sweat Equity		
4.	Commission - As % of profit - others, specify...	NA	
5.	Others ,please specify		
6.	Total(A)	600000	600000

Sl. No.	Particulars of Remuneration	Harish Agrawal (Executive Director)	Total Amount
1.	Gross salary	600000	600000
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act, 1961		
	(b)Value of perquisites u/s17(2) Income-tax Act,1961	NIL	
	(c)Profits in lieu of salary under section 17(3) Income- tax Act,1961		
2.	Stock Option	NA	
3.	Sweat Equity		
4.	Commission - As % ofprofit - others, specify...	NA	
5.	Others ,please specify	NA	
6.	Total(A)	600000	600000

**B. REMUNERATION TO OTHER DIRECTORS:**

Sl. No.	Particulars of Remuneration	NAME OF DIRECTOR				Total Amount
		Krishnakumar Rambilash Agarwal	Radheshyam Agrawal	Sheetal Nagda	BijalDurgawale	
	<u>Independent Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify	-	-	70,000	70,000	1,40,000
	Total (1)			70,000	70,000	1,40,000
	<u>Other Non-Executive Directors</u> ·Fee for attending board committee meetings ·Commission ·Others, please specify (Consultancy fees)	NA	NA	NA	NA	NA
	Total(2)					
	Total(B)=(1+2)			70000	70000	

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary 1) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 2) Value of perquisites u/s 17(2) Income-tax Act, 1961 3) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	1,60,000	-	1,60,000
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - Others, specify...				
5	Others, please specify				
	Total	-	1,60,000	-	1,60,000

**D. 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)
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

By order of the Board  
For Prabhu Steel Industries Limited

\_\_\_\_Sd/-\_\_\_\_\_  
Dinesh Gangaram Agrawal  
Managing Director  
DIN- 00291086

\_\_\_\_Sd/-\_\_\_\_\_  
Harish Agrawal  
Director  
DIN- 00291083

## FORM NO. AOC-2

### (ANNEXURE II)

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

#### Details of material contracts or arrangement or transactions at arm's length basis

Sr No	NAME OF RELATED PARTIES	NATURE AND VALUE OF CONTRACT/ ARRANGEMENT	AMOUNT
1	Harish Agrawal	Remuneration	6,00,000/-
2	Dinesh Agrawal	Remuneration	6,00,000/-
3	Hariganga Alloys & Steel.	Revenue Expenses	1,32,000/-
4	Hariyana Metals Limited	Interest Received	18,70,580/-
5	Harish Agrawal and Dinesh Agrawal	Advance for purchase of immoveable property	80,00,000/-



# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## (ANNEXURE III)

Your Directors have pleasure in presenting the Management Discussion and Analysis report for the year ended on 31st March 2019 .

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

Steel is crucial to the development of any modern economy and is considered to be the backbone of human civilization. The level of per capita consumption of steel is treated as an important index of the level of socio-economic development and living standards of the people in any country. It is a product of a large and technologically complex industry having strong forward and backward linkages in terms of material flows and income generation. All major industrial economies are characterized by the existence of a strong steel industry and the growth of many of these economies has been largely shaped by the strength of their steel industries in their initial stages of development.

### **SEGMENTWISE PERFORMANCE:**

The Company trades in a single business segment. In view of sluggish global demand, the Company repositioned some of its supplies to favourable markets. 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:**

India is the only major steel consuming market globally. As of 2017, India is the world's third largest producer of crude steel (up from eighth spot in 2003). India's steel production in 2017 stood at 101.4 MT. Easy availability of low-cost manpower and presence of abundant iron ore reserves make India competitive in the global set up. India is home to the fifth-highest reserves of iron ore in the world.

Steel demand in India is expected to grow above 7% in the current as well as next year, according to the World Steel Association.

Trading players in steel industry have faced cascading effects in the steel manufacturing industry. The major threats to steel industry are:

- Slow Industry Growth
- Technological Change
- Price Sensitivity and demand volatility
- Recession in other countries resulting in dumping of materials.

### **STRENGTH:**

The strengths of India's steel industry include: abundant availability of iron ore and coal; low labour costs, abundant manpower, mature production base and supporting government policy, particularly towards MSME sector. However, the major weakness include unscientific mining and production, low productivity, energy inefficiency, dependence on coal imports despite huge reserves, inadequate infrastructure, regulatory hurdles etc.

Currently, India is third largest producer of steel in the world and in near future, it is going to be second largest country. The key opportunities include an unexplored rural market to boost consumption of steel, growing domestic demand for steel products including automobiles, growing demands in exports. But there are several threats. Firstly, China is a net exporter of steel and is already posing hurdles by importing raw material from India and selling it after processing. Secondly, the increases protectionism in west hinders the growth of exports of India.

## **RISK AND CONCERNS:**

Your company is working essentially in domestic 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. Also any downward movement in prices in manufacturing industry has a direct effect on the revenues of the Company, as margin drops.

It is essential to correctly assess the risk in each segment so that the risk is mitigated before it becomes a possible threat. General risk segments are statutory compliances, economy, financials, Government policies, market related, operational, products and technology etc., The management has a rapid review of likely risk areas with the objective to define a framework for identification, evaluation and mitigating the risk in the decision making process and to encourage proactive management and not reactive management.

## **INTERNAL CONTROL SYSTEMS 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's Human Resources philosophy is to establish and build a strong performance and competency driven culture with greater sense of accountability and responsibility. The Company has taken pragmatic steps for strengthening organizational competency through involvement and development of employees as well as installing effective systems for improving the productivity, equality and accountability at functional levels. With the changing and turbulent business scenario, the Company's basic focus is to upgrade the skill and knowledge level of the existing human assets to the required level by providing appropriate leadership at all levels motivating them to face the hard facts of business, inculcating the attitude for speed of action and taking responsibilities. In order to keep the employees skill, knowledge and business facilities updated, ongoing in house and external training is provided to the employees at all levels. The effort to rationalize and streamline the workforce is a continuous process. The industrial relations scenario remained harmonious throughout the year.

## **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.

**NEAR OLD MOTOR STAND ITWARI ,  
NAGPUR - 440008**

**By order of the Board  
For Prabhu Steel Industries Limited**

\_\_\_\_Sd/-\_\_\_\_\_  
**Dinesh Gangaram Agrawal**  
**Managing Director**  
**DIN- 00291086**

\_\_\_\_Sd/-\_\_\_\_\_  
**Harish Agrawal**  
**Director**  
**DIN- 00291083**

## **CEO/ MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION**

To,  
The Board of Directors

### **PRABHU STEEL INDUSTRIES LIMITED**

Subject: Certificate in accordance with Regulation 33(2) (a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

We, undersigned certify that the Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2019 prepared in accordance with Clause 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading and we further certify that;

- We have reviewed financial statements and the cash flow statement for the quarter and year ended March 31, 2019 and that to the best of their knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- 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 listed entity pertaining to financial reporting and we 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 we have taken or propose to take to rectify these deficiencies.
- We have indicated to the auditors and the Audit committee:
  - significant changes in internal control over financial reporting during theyear;
  - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

SD/-

**(DINESH AGRAWAL)**  
**MANAGING DIRECTOR**  
**DIN: 00291086**

SD/-

**CHIEF FINANCIAL OFFICER**  
**MS. AKSHITA HARISH AGARWAL**

Date: 13<sup>th</sup> July, 2019  
Place: Nagpur

## CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-19

The report on Corporate Governance states compliance as per requirements of the Companies Act, 2013, SEBI (LODR), Regulations, 2015, as applicable to the Company. Given below are the Company's Corporate Governance policies and practices for 2018-19 and the Company has complied with all the statutory and regulatory requirements as stipulated in the applicable laws.

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company's philosophy on Corporate Governance has been developed with a tradition of fair and transparent governance even before they were man-dated by the legislation. Transparency, integrity, professionalism and accountability - based values form the basis of the Company's philosophy for Corporate Governance. The Company believes that good Corporate Governance is a continuous process and strives to improve the Corporate Governance practices to meet shareholder's expectations.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Company is managed by well- qualified professionals. All directors are suitably qualified, experienced and competent. The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts, Finance, Administration and Marketing. The Company is benefitted by the experience and skills of the Board of Directors. The Independent Directors have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the company which could have potential conflict of interest with the company at large. The Company has a Code of Conduct for Directors and Senior Management personnel. The code is available on the official website of [the www.prabhusteel.com](http://www.prabhusteel.com).

Composition of board and changes therein: The Board of directors is duly constituted and consists of the following directors namely:

SR NO.	NAME OF THE DIRECTOR	DIN	DESIGNATION
1	Dinesh Gangaram Agrawal	00291086	Managing Director
2	Harish Gangaram Agrawal	00291083	Executive Director
3	Krishankumar Rambilash Agarwal	00291076	Independent Director
4	Radheshyam Laxminarayan Agrawal	00291080	Non-Executive Director
5	Sonali Pramod Paithankar	08336128	Independent Director
6	Pramod Dyaneshwar Kale	08336145	Independent Director

The Board made following Appointments and Resignation during the period under review:

- Appointment of Ms. Sonali Pramod Paithankar as an Independent Director of the Company with effect from 6th February, 2019.
- Appointment of Mr. Pramod Dyaneshwar Kale as an Independent Director of the Company with effect from 6th February, 2019.
- Appointment of Ms. Jyotika Mehta as Company Secretary and Compliance Officer of the Company with effect from 1st March, 2019.
- Appointment of Ms. Akshita Harish Agarwal as Chief Financial Officer of the Company with effect from 25th March, 2019.
- Resignation of Mrs Sheetal Bhavin Nagda from the post of Director of the Company with effect from 6th February, 2019.
- Resignation of Ms. Bijal Yogesh Durgavale from the post of Director of the Company with effect from 6th February, 2019.

**MEETINGS OF THE BOARD OF DIRECTOR:**

During FY 2018-2019, eight meetings of the Board of Directors were held on the following dates:

- 30<sup>th</sup> May, 2018
- 11<sup>th</sup> August, 2018
- 30<sup>th</sup> October, 2018
- 6<sup>th</sup> February, 2018
- 8<sup>th</sup> February, 2018
- 5<sup>th</sup> March, 2019
- 25<sup>th</sup> March, 2019
- 30<sup>th</sup> March, 2019

Name of Director	Director Identification Number	Category	Board Meetings	
			Held	Attended
Dinesh Gangaram Agrawal	00291086	Managing Director	8	8
Harish Gangaram Agrawal	00291083	Executive Director	8	8
Krishankumar Rambilash Agarwal	00291076	Independent Director	8	8
Radheshyam Laxminarayan Agrawal	00291080	Non-Executive Director	8	8
Sonali Pramod Paithankar	08336128	Independent Director	8	5
Pramod Dyaneshwar Kale	08336145	Independent Director	8	5

The intervening gap between the meetings was within the period prescribed under section 173 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014, relevant circulars, notifications, orders and amendments thereof.

**DETAILS OF THE BOARD OF DIRECTORS AND EXTERNAL DIRECTORSHIPS**

Particulars of the Board's Composition, Directors' Attendance at Board Meetings and at the previous Annual General Meeting, number of other Directorships and Board-Committee memberships held as on 31st March 2019, are given below:

Sr. No.	Name of the Director, and Designation Category	No of Board Meetings held	Attendance of Board Meetings	Attendance at previous AGM
1	Dinesh Gangaram Agrawal	Eight	Eight	Yes
2	Harish Gangaram Agrawal	Eight	Eight	Yes
3	Krishankumar Rambilash Agarwal	Eight	Eight	Yes
4	Radheshyam Laxminarayan Agrawal	Eight	Eight	Yes
5	Sonali Pramod Paithankar	Eight	Five	No
6	Pramod Dyaneshwar Kale	Eight	Five	No

The details of equity shares held by the Directors of the Company as on March 31, 2019 are as follows:-

Name of the Director, Designation and Category	Number of equity shares held
Dinesh Gangaram Agrawal	44,050
Harish Gangaram Agrawal	45,350
Radheshyam Laxminarayan Agrawal	1,000

## COMMITTEES OF THE BOARD:

The Board Committee plays a crucial role in the governance structure of the Company and has been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committee are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings.

The Board has constituted following Committees of Directors:

- Audit Committee,
- Nomination & Remuneration Committee, and
- Stakeholder's Relationship Committee.

- **AUDIT COMMITTEE:**

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section.

➤ **Composition:**

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Krishnakumar Rambilash Agarwal	Independent Director	Chairman	4	4
Dinesh Ganagram Agrawal	Executive Director	Member	4	4
Sonali Pramod Paithankar	Independent Director	Member	4	2
Pramod Dyaneshwar Kale	Independent Director	Member	4	2

➤ **Terms of reference:**

The broad terms of reference of the Audit Committee are as under:

- Reviewing of the Company's financial reporting process and the disclosure of its financial information
- To ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, remuneration and terms of appointment of external Auditor.
- Review and monitor the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the company with related parties
- Scrutiny of inter-corporate loans and investments
- Valuation of undertakings or assets of the Company, wherever it is necessary.

- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing with management the Annual financial statements and half yearly and Quarterly financial results before submission to the Board.
- Reviewing periodically the adequacy of the internal control system.
- Discussions with Internal Auditor on any significant findings and follow up there on.

- **NOMINATION AND REMMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of Directors was constituted pursuant to the provisions of Section 178 of the Companies Act, 2013. The Composition of the Committee is in conformity with the provisions of the said Section.

➤ Composition:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Krishnakumar Rambilash Agarwal	Independent Director	Chairman	4	4
Sonali Pramod Paithankar	Independent Director	Member	4	2
Pramod Dyaneshwar Kale	Independent Director	Member	4	2

➤ **Terms of reference:**

The broad terms of reference of the Nomination and Remuneration Committee are asunder:

- Formulation of the criteria for determining the qualifications, positive attributes and independence of Director;
- Devising a policy on Board diversity;
- Formulation of Remuneration policy;
- Review the structure, size and composition of the Board;
- Identifying and selection of candidates for appointment as Directors;
- Identifying potential individuals for appointment as Key Managerial Personnel and Senior Management;
- Formulation of criteria for evaluation of Independent Directors and the Board.

- **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of Directors was constituted pursuant to the provisions of Section 178(5) of the Companies Act, 2013. The composition of the Committee is in conformity with the provisions of the said section.

➤ Composition:

NAME OF THE DIRECTORS	CATEGORY OF DIRECTORSHIP	REMARKS	NUMBER OF MEETINGS	
			Held	Attended
Krishnakumar Rambilash Agarwal	Independent Director	Chairman	1	1
Harish Gangaram Agrawal	Executive Director	Member	1	1
Sonali Pramod Paithankar	Independent Director	Member	1	1

➤ Details of Investor's grievances/ Complaints:

The Company has not received any complaints during the year. The pending complaints of the Shareholders/Investors registered with SEBI at the end of the current financial year ended on 31st March, 2019 are NIL.

➤ Vigil Mechanism & Whistle Blower Policy

The company has established vigil mechanism for the directors and employees to report their genuine concerns or grievances, details of adequate safeguards provided against victimisation of employees and directors who avail of the vigil mechanism, mechanism of providing for direct access etc, as provided in rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, read with corresponding rules, circulars, notifications, orders and amendments thereof.

➤ Compliance Officer:

Ms Jyotika Mehta is the compliance Officer of the Company for the above purpose.

**INDEPENDENT DIRECTOR'S MEETING:**

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting on March 31, 2019, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non - executive directors;
- assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- review the responsibility of independent directors with regard to internal financial controls.
- All independent directors were present at the meeting. The independent director's present elected Dinesh Shah as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

**ORDERLY SUCCESSION TO BOARD AND SENIOR MANAGEMENT:**

The Board of the Company satisfied itself that plans are in place for orderly succession for appointments to the Board and to Senior Management.



## **CODE OF CONDUCT:**

Regulations 17(5) of the SEBI (LODR) Regulations, 2015, requires listed Companies to lay down a Code of Conduct for its Directors and Senior Management, incorporating duties of a Directors as laid down in the Companies Act, 2013. The Board has adopted a Code of Conduct for all Directors and Senior Management of the Company and the same has been placed on Company's website.

## **DIRECTORS' INTEREST IN THE COMPANY:**

Sometime, the Company does enter into contracts with companies in which some of the Directors of the Company are interested as director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weight age to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors or members. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 189 of the Companies Act, 2013 and the same is placed in every Board Meeting for the noting of the Directors.

## **RESPONSIBILITIES & FUNCTIONS OF BOARD OF DIRECTORS:**

**The Board of Directors of the listed entity shall have the following responsibilities:**

(i) Disclosure of information:

1. Members of Board of Directors and key managerial personnel shall disclose to the Board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.
2. The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii) Key functions of the Board of Directors-

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial Personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of board of directors with the longer-term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of Directors.
6. Monitoring and managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications
9. Monitoring and reviewing Board of Director's evaluation framework.

(iii) Other responsibilities:

1. The Board of Directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
2. The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave.
3. Members of the Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
4. The Board of Directors shall encourage continuing directors training to ensure that the members of Board of Directors are kept up to date.
5. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
6. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
7. The Board of Directors shall exercise objective independent judgment on corporate affairs.
8. The Board of Directors shall consider assigning a sufficient number of non- executive members of the Board of Directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.
9. The Board of Directors shall ensure that, while rightly encouraging positive thinking,
10. These do not result in over-optimist that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.
11. The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
12. When committees of the Board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the Board of Directors.
13. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities.
14. In order to fulfill their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information.
15. The Board of Directors and senior management shall facilitate the independent Directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.

**PERFORMANCE EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance, and that of its Committees and individual directors. Manner in which such formal annual evaluation was made by the Board is given below:

Performance evaluation criteria for Board, Committees of the Board and Directors were approved by the Board at its meeting. The criteria are placed on the Company's website [www.prabhusteel.com](http://www.prabhusteel.com).

The report of performance evaluation so arrived at was then noted and discussed by the Nomination and Remuneration Committee and Board at their meetings held.

Under law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment of the independent director. During the year under review, there was no occasion to decide on the continuance of the term of appointment of any of the independent directors and hence, the question of taking a decision on their re-appointment did not arise. Details on the evaluation carried out by the independent directors at their meeting held on 31st March, 2019 have been furnished in a separate Para elsewhere in this Report.

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company;
- desired age and diversity on the Board;
- size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law;
- professional qualifications, expertise and experience in specific area of business;
- balance of skills and expertise in view of the objectives and activities of the Company;
- avoidance of any present or potential conflict of interest;
- availability of time and other commitments for proper performance of duties; personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

#### **INDEPENDENT DIRECTORS MEETING:**

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of SEBI Listing Regulations, 2015, the independent directors held their separate meeting on March 31, 2019, without the attendance of non-independent directors and members of Management, to inter alia discuss the following:

- i. review the performance of non-independent directors and the Board as a whole;
- ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non - executive directors;
- iii. assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- iv. review the responsibility of independent directors with regard to internal financial controls.
- v. All independent directors were present at the meeting. The independent director's present elected Dinesh Shah as Chairman for the meeting, deliberated on the above and expressed their satisfaction on each of the matters.

#### **COMPLIANCES REGARDING INSIDER TRADING:**

The Company had in place a 'Code of Conduct for Prevention of Insider Trading and Corporate Disclosure Practices', in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended. These regulations have been substituted by SEBI with a new set of Regulations, which have come into effect from 15 May 2015. Accordingly, the Board has approved and adopted,

- a. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information; and
- b. Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected person.

The said codes are being adhered to.

**DETAILS OF ANNUAL GENERAL MEETINGS:**

Financial Year	Date	Venue	Special Resolutions passed
2017-2018	Saturday 29th September, 2018 at 11.00 A.M.	Near Old Motor Stand Itwari Nagpur - 440008	NA

**EXTRA-ORDINARY GENERAL MEETINGS:**

Details of the Extra- Ordinary General Meetings of the Company held during preceding previous year with a gist of the special resolutions passed there at is given hereunder:

Financial Year	Date	Venue	Special Resolutions passed
NA	NA	NA	NA

No Special Resolutions has been passed through Postal Ballot during the year. None of the resolutions proposed at the ensuing Annual General Meeting need to be passed by Postal Ballot.

**MEANS OF COMMUNICATION:**

The Quarterly, Half-Yearly and Annual Financial Results of the Company are forwarded to BSE Ltd., , immediately upon its approval by the Board of Directors and are simultaneously published in leading newspapers in English and Marathi (regional language). The financial statement of the Company is unqualified.

In accordance with the Listing Agreement requirements, data pertaining to Shareholding Pattern, Quarterly Financial Results and Other Details are forwarded to the Stock Exchange. During the year under review, no presentation was made to the institutional investors or analysts. The Company has paid Listing fees for the year 2018-19 to the Stock Exchange.

**GENERAL SHAREHOLDERS' INFORMATION:****Date time & Venue:**

Date, Time & venue of Annual General Meeting	Thursday, 8 <sup>th</sup> August, 2019 at 11:00 a.m. at Near Old Motor Standitwari Nagpur - 440008
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**Financial Year:**

The financial year covers the period from April 1 of every year to March 31 of the next year.

**Financial Reporting for:**

Quarter	Release date
1 <sup>st</sup> Quarter ending on June 30, 2018	11.08.2018
2 <sup>nd</sup> Quarter ending on September 30, 2018	30.10.2018
3 <sup>rd</sup> Quarter ending on December 31, 2018	08.02.2019
4 <sup>th</sup> Quarter ending on March 31, 2019	24.05.2019

**Dividend:**

No Dividend has been recommended for the year under review.

**Record Date/Book Closure Date**

The Company has fixed August 2<sup>nd</sup>, 2019 to August 8<sup>th</sup>, 2019 as the Record date for the purpose of 47<sup>th</sup> Annual General Meeting and matters related thereto.

**Listing on Stock Exchange**

Equity Shares:

The Equity Shares of the Company are Listed on the following Stock Exchanges:-

**The Bombay Stock Exchange Limited**

P J Towers, Dalal Street, Fort, Mumbai: 400001

**ISIN No.**

The Company's Demat International Security Identification Number (ISIN) for its equity shares in CDSL and NSDL is **INE821R01015**.

**Corporate Identification Number:**

The Company's CIN as allotted by the Ministry of Corporate Affairs ("MCA") is **L28100MH1972PLC015817**.

**Share Transfer System:**

The Share transfer is processed by the Registrar & Share Transfer Agent and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

**Dematerialization of Shares and Liquidity:**

As on 31st March, 2019, 2,10,450 equity shares, constituting 29.35% of the paid-up equity capital of the Company, stood dematerialized whereby shareholders have an option to dematerialize their shares with either of the Depositories. Entire shareholding of Promoters and Promoter Group is in dematerialized form. Status of Dematerialization of Equity Shares as on March 31, 2019 is as under:

Particulars	No. of shares	% of total paid-up Capital
National Securities Depository Limited	0	0
Central Depository Services (India) Limited	2,10,450	29.35%
<b>Total Dematerialized</b>	<b>2,10,450</b>	<b>29.35%</b>
Physical	5,06,550	70.65%
<b>Total</b>	<b>7,17,000</b>	<b>100.00%</b>

**Shareholding Pattern:**

Sr. No.	Category	As on 31 <sup>st</sup> March, 2018		As on 31 <sup>st</sup> March, 2019	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
<b>A</b>	Promoters				
<b>1.</b>	Individuals/HUF	0	0	0	0
	Bodies Corporate	0	0	0	<b>0</b>
	Any Others(Specify)	307200	42.85%	307200	42.85%
	<b>TOTAL (A)</b>	<b>307200</b>	<b>42.85%</b>	<b>307200</b>	<b>42.85%</b>
<b>B</b>	Public Shareholding	0	0	0	<b>0</b>
<b>1.</b>	Institutions	0	0	0	<b>0</b>
	Foreign Institutional Investors	0	0	0	<b>0</b>
<b>2.</b>	Non-Institutions	0	0	0	<b>0</b>

	Bodies Corporate	0	0	0	0
(a)	Individual Shareholders holding up to Rs.2 Lac	377100	52.59%	377100	52.59%
(b)	Individual Shareholders holding above Rs.2 Lac	0	0	0	0
	NRIs / HUF's / Clearing Members/Bodies corporate	32700	4.56%	32700	4.56%
	TOTAL (B)	409800	57.15%	409800	57.15%
	TOTAL (A+B)	717000	100%	717000	100%

#### **Outstanding GDRs/ ADRs:**

The Company has not issued any GDRs/ADRs.

#### **Address for Correspondence:**

PRABHU STEEL INDUSTRIES LIMITED  
Near Old Motor Standitwari Nagpur - 440008  
Email ID: prabhu.steel@yahoo.com

#### **SEBI COMPLAINTS REDRESS SYSTEM**

SEBI vide circular dated 3rd June, 2011 introduced SCORES, i.e., SEBI Complaints Redress System the system of processing of investors complaints in a centralized web based complaints redress portal known as 'SCORES'. The salient features of this system are: centralized database of all Complaints, online upload Action Taken Reports (ATRs) by concerned Companies and online viewing by investors of action taken on the complaints and its current status.

The Company is registered with SEBI under the SCORES system.

#### **RELATED PARTY TRANSACTIONS**

As per applicable provisions of the Companies Act, 2013, the details of contracts and arrangements with related parties in Form AOC 2 are annexed herewith as **ANNEXURE II**.

The details of the transactions with Related Parties are provided in the accompanying financial statements as required under Accounting Standard 18.

#### **CODE OF CONDUCT**

- The Company has adopted the Code of Ethics and Business principles for the members of Board and senior management personnel.
- The Company has adopted a 'Code of Conduct for Prevention of Insider Trading ("the Code") in accordance with the requirements of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and its subsequent amendment. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. Further, we affirm that no personnel have been denied access to the Audit Committee. Employees can report to the Management concerned regarding unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy.

#### **DISCLOSURE OF ACCOUNTING TREATMENT**

During the year under review, the Company has followed the Accounting Standards issued by the ICAI to the extent applicable.

#### **SUBSIDIARY COMPANY:**

The Company does not have any subsidiary companies as on March 31, 2019.

## **LOAN ACCEPTANCE AND REPAYMENTS**

Loan accepted and repaid as the information mentioned in Significant Accounting Policies.

## **RESPONSIBILITIES OF COMPLIANCE OFFICER**

The compliance officer of the listed entity shall be responsible for-

- Ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
- Co-ordination with and reporting to the Board, recognized stock Exchange and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
- Ensuring that the correct procedures have been followed that would result in the correctness, Authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.
- Monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors.

## **PREVENTING CONFLICT OF INTEREST:**

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by Board Members and the Management Committee. The Board has adopted the Code of Conduct for the members of the Board and Senior Management team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, they are required to make adequate disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The members of the Board and the Management Committee also submit on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board. The members of the Board inform the Company of any change in their directorship(s), chairmanship(s)/ membership(s) of the Committees, in accordance with the requirements of the Companies Act, 2013 and Listing Regulations. Transactions with any of the entities referred above are placed before the Board for approval. Details of all Related Party Transactions are placed before the Audit Committee on quarterly basis.

## **AFFIRMATION AND DISCLOSURE:**

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on March 31, 2019 and a declaration to that effect signed by the Managing Director is attached and forms part of this Report. The members of the Management Committee have made disclosure to the Board of Directors relating to transactions with potential conflict of interest with the Company; however there were no material, financial or commercial transaction between the Company and the Independent Directors.

All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Director neither participated in the discussion nor voted on such matter.

## **COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

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 Rule 3 of Companies (Account) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is not applicable..

## **WHISTLE BLOWER POLICY:**

The Company has established a vigil mechanism by adopting a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner. The Whistle Blower policy/vigil mechanism provides a mechanism for the Directors/employees to report violations, without fear of victimization, any unethical behavior, suspected or actual fraud, violation of the Code of Conduct etc. which are detrimental to the

organization's interest. The mechanism protects whistle blower from any kind of discrimination, harassment, victimization or any other unfair employment practice. It provides a mechanism for employees to approach the Chairman of Audit Committee. During the year, no such incidence was reported and no personnel were denied access to the Chairman of the Audit Committee. The Whistle Blower Policy of the Company is available on its website.

The statutory Auditors have certified that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) Regulations, 2015 and the same is annexed to this Report.

**RECONCILIATION OF SHARE CAPITAL AUDIT:**

A practicing Company Secretary carries out reconciliation of share capital audit, on quarterly basis to reconcile the total admitted capital with NSDL & CDSL and total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL & CDSL.

**AUDIT QUALIFICATIONS:**

There are no Audit qualifications in the Company's financial statement for the year under review.

**NEAR OLD MOTOR STAND ITWARI ,  
NAGPUR - 440008**

**By order of the Board  
For Prabhu Steel Industries Limited**

\_\_\_\_Sd/-\_\_\_\_\_  
**Dinesh Gangaram Agrawal**  
**Managing Director**  
**DIN- 00291086**

\_\_\_\_Sd/-\_\_\_\_\_  
**Harish Agrawal**  
**Director**  
**DIN- 00291083**



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(ANNEXURE V)**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019**

*[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**PRABHU STEEL INDUSTRIES LIMITED**  
**(CIN: L28100MH1972PLC015817)**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Prabhu Steel Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me areas on able basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon based on my verification of the **Prabhu Steel Industries Limited**.

Books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, here by report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2019 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, except to those mentioned below in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained **Prabhu Steel Industries Limited** for the financial year ended on 31st March, 2019 according to the provisions of:

- The Companies Act, 2013 (the Act) and the rules made there under;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - Not Applicable

(i) The following Regulations and Guidelines prescribed under the Securities and exchange Board of India Act,1992 ('SEBI Act');

- i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011 - **Not Applicable to the Company during the period under review**
- ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - **Not Applicable to the Company during the period under review.**
- iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - **Not Applicable to the Company during the period under review**
- iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - **Not Applicable to the Company during the period under review**
- v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **Not Applicable to the Company during the period under review**

- vi. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **Not Applicable to the Company during the period under review**
- vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 - **Not Applicable to the Company during the period under review**
- viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **Not Applicable to the Company during the period under review**

The management has identified and confirmed that apart from Companies Act, 2013; SEBI Act & Income-Tax Act, 1961, no other laws is specifically applicable to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd,;

During the period under review and as per representations and clarifications provided by the management, I confirm that the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement etc. mentioned hereinabove subject to the below observation:

1. Trading in securities of the Prabhu Steel Industries Limited were suspended w.e.f. January 18, 2019 on account of non-compliance with Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that compliance of applicable financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in the Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review, other than those mentioned in the Director Report. Adequate notice is given to all directors to schedule the Board Meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Since Minutes books is not updated, hence we cannot comment whether majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

- The Company has filed certain Forms with ROC with delayed fees during the year.

**(JAYMIN MODI & Co.)**  
**Practicing Company Secretaries**  
**C P No. 16948**

**Date: 13/07/2019**

**Place: Mumbai**

**ANNEXURE – A TO SECRETARIAL AUDIT REPORT**

To,  
The Members,  
**Prabhu Steel Industries Limited**  
**(CIN: L28100MH1972PLC015817)**

Our Secretarial Audit Report dated **13th July, 2019** is to be read with this letter.

- 1.Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
- 2.We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
- 3.We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit.
- 4.We have obtained the Management’s representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- 5.Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- 6.This Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**(JAYMIN MODI & Co.)**  
**Practicing Company Secretaries**  
**C P No. 16948**

**Date: 13th July, 2019**

**Place: Mumbai**

# 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 ("the company" bearing Corporate Identification No. L28100MH1972PLC015817), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss, The Statement of Cash Flow & the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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, of the state of affairs of the Company as at March 31, 2019, and of profit, changes in equity and its cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Responsibility of Management for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated 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, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the company's financial reporting process

## **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

a. 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.

b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

c. 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.

e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company does not have any pending litigations which would impact its financial position.
2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses hence has made no provision, as required under the applicable law or accounting standards.
3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Nagpur  
Date: 24<sup>th</sup> May, 2019.

Lalit Jham  
Partner  
Membership No: 040501

**ANNEXURE A REFERRED TO IN THE AUDITOR'S REPORT ON THE ACCOUNTS OF PRABHU STEEL INDUSTRIES LIMITED FOR THE YEAR ENDING 31<sup>ST</sup> MARCH 2019**

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013 taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report the following:

<b>Sr. No.</b>	<b>Particulars</b>	<b>Auditors Remark</b>
(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.
	(c) whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof	Yes, the title deeds of immovable properties are held in the name of the company.
(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) 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, Limited Liability Partnerships or other parties	The company has granted loan to a party

	covered in the register maintained under section 189 of the Companies Act, 2013. If so,,	covered in the register maintained under section 189 of the Companies Act 2013.
	(a) whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	The terms and conditions of the grant of such loans are not prejudicial to the company's interest
	(b) whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	Since the loan is repayable on demand the question of repayment doesn't arise. Interest has been recovered on the loan so granted.
	(c) if the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	Since the loan is repayable on demand by the company question of overdue amounts doesn't arise.
(iv)	in respect of loans, investments, guarantees, and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
(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 76 or any other relevant provisions of the Companies Act, 2013 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?	In our opinion and according to the 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;	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.	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
	(b) in case dues of income tax or sales tax or wealth tax or service tax	According to the records

	<p>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).</p> <p>Details Of Taxes which have not been deposited as at 31.3.2019 on account of dispute are given below:</p> <table border="1"> <thead> <tr> <th>Nature of Statute</th> <th>Nature of Dues</th> <th>Forum where dispute pending</th> <th>Period to which amount relates</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Maharashtra Value Added Tax Act.</td> <td>Asst. under the act.</td> <td>Comm. (Appeals)</td> <td>2011-12</td> <td>13,15,421/-</td> </tr> <tr> <td>Maharashtra Value Added Tax Act.</td> <td>Asst. under the act.</td> <td>Comm. (Appeals)</td> <td>2012-13</td> <td>8,76,725/-</td> </tr> </tbody> </table>	Nature of Statute	Nature of Dues	Forum where dispute pending	Period to which amount relates	Amount	Maharashtra Value Added Tax Act.	Asst. under the act.	Comm. (Appeals)	2011-12	13,15,421/-	Maharashtra Value Added Tax Act.	Asst. under the act.	Comm. (Appeals)	2012-13	8,76,725/-	<p>examined by us and the information and explanations given to us, there are no undisputed amounts due in respect of income tax, sales tax, wealth tax, excise duty, Employees provident fund, Employee state insurance fund and other statutory dues at the end of the year outstanding in the books.</p>
Nature of Statute	Nature of Dues	Forum where dispute pending	Period to which amount relates	Amount													
Maharashtra Value Added Tax Act.	Asst. under the act.	Comm. (Appeals)	2011-12	13,15,421/-													
Maharashtra Value Added Tax Act.	Asst. under the act.	Comm. (Appeals)	2012-13	8,76,725/-													
(viii)	<p>whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).</p>	<p>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 during the year.</p>															
(ix)	<p>whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;</p>	<p>The Company has not raised any money by way of initial public offer or further public offer, further the term loans have been applied for the purpose for which they were raised.</p>															
(x)	<p>whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;</p>	<p>As per the explanation given to us and information provided no fraud on or by the company has been noticed or reported.</p>															
(xi)	<p>whether managerial remuneration has been paid or provided in</p>	<p>As per the information</p>															



	accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	provided managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
(xii)	whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	Since the company is not a Nidhi Company this clause is not applicable.
(xiii)	whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	As per the explanation given to us and information provided transactions with the related parties are in compliance with sections 177 and 188 of Companies Act,2013
(xiv)	whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	As per the explanation given to us and information provided the company has not made preferential allotment & private placement of shares during the year under review & the requirement of section 42 of the Companies Act, 2013 have been complied with
(xv)	whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	The company has not entered into any non-cash transactions with directors or persons connected with him with regards to section 192.
(xvi)	whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

For Lalit Jham & Co.  
Chartered Accountants  
FRN 114158W

Lalit Jham  
Partner  
M.no : 040501

For Prabhu Steel Industries Ltd

Director  
Harish Agarwal  
DIN 291083

Director  
Dinesh Agarwal  
DIN 291086

## **ANNEXURE - B TO THE AUDITORS' REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Prabhu Steel Industries Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Nagpur  
Date: 24<sup>th</sup> May, 2019

Lalit Jham  
Partner  
Membership No: 040501

## **SCHEDULE: -10**

### **SIGNIFICANT ACCOUNTING POLICIES**

#### **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, Indian Accounting Standards notified under Section Section 133 of the Companies Act 2013, read with read with relevant rules issued thereunder and the relevant provisions thereof.

The financial statements have been prepared under the historical cost convention on accrual basis of accounting. 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. Property Plant & Equipment: -**

Property Plant & Equipment 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 Property Plant & Equipment: -**

Depreciation is provided on property plant & equipment on written down value 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. The assessment by the management shows no impairment.

#### **Till 31ST 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) Deprecation 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:**

i) 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.

ii) 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:**

i) 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.

ii) 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: -

Non current Investments are of long term nature and stated at cost. Current investments have been stated at lower of cost or fair value as on 31.03.2019. Since the fair value of investment on the said date was higher they have been 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. Cash flows from operating, investing & financing activities are segregated. All highly liquid investments such as fixed deposits etc are considered as cash & cash equivalents.

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	2018	2019
SALES TAX ( Disputed on Appeal)	NIL	NIL
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>2018-19 (Rs)</b>	<b>2017-18 (Rs)</b>
Salary & Bonus	12,00,000	-
Sitting fees	1,40,000	40,000
<b>Total</b>	<b>13,40,000</b>	<b>40,000</b>

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>2018-19 (Rs)</b>		<b>2017-18 (Rs)</b>	
	Closing Balance (₹)	Max. Bal. (₹)	Closing Balance (₹)	Max. Bal. (₹)
Hariyana Metals Limited	132,62,349 /-	164,65,719/-	83,95,299/-	1,36,26,000 /-

5. Major components of Deferred tax

Particulars	As at 31.03.2019
<b>A) Deferred Tax Liabilities</b>	
Depreciation	-14377
<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>-14377</b>

## **6. Related Party Disclosure**

Sr No.	Category	Name of the related Party
1	Subsidiaries	---
2	Key Management	Shri Harish Agrawal Shri Dinesh Agrawal
3	Associates	Hariyana Metals Ltd

		Celestial Steel Structure Pvt Ltd Hariganga Alloys & Steel
4	Relatives of Key Management Personnel	---

### **Transaction with Related Parties**

Sr. No.	Nature of Transaction	Rs	Name of Related Party
1	Remuneration	6,00,000/-	Harish Agarwal
		6,00,000/-	Dinesh Agarwal
2	Purchase of RM / PM / FG	Nil	-----
3	Revenue Expenses	1,32,000/-	Hariganga Alloys & Steel.
4	Purchase of Fixed Assets	Nil	-----
5	Sales of RM / PM / FG	Nil	-----
6	Loan Received	Nil	-----
7	Advance Given	Nil	-----
8	Advance Received	Nil	-----
9	Interest Received	18,70,580/-	Hariyana Metals Ltd.
10	Advance for purchase of immovable Property	80,00,000/-	Harish Agarwal/ Dinesh Agarwal.

#### 7. Unsecured loans & Advances :-

(a) All the unsecured loans have been guaranteed personally by one of the director of company.  
7.

8. The Company had recorded purchase of vehicle(cars) 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.

Previous year figures have been regrouped or rearranged whenever necessary.

Signature to Note "1" to "14" & "22" of Balance sheet and "15" to "22" of Profit and Loss account

In terms of Our Separate Report of  
Even Date Attached

Nagpur Dated the, 24TH May, 2019

For Lalit Jham & Co.  
Chartered Accountants  
FRN 114158W

For Prabhu Steel Industries Ltd

Director

Director

Lalit Jham  
Partner  
M.no : 040501

DIN 29108

DIN 291086

**PART I - BALANCE SHEET**  
**PRABHU STEEL INDUSTRIES LIMITED**  
**Balance Sheet as At 31st March 2019**

Particulars	Note No.	As at 31st March 2019 (Rs.)	As at 31st March 2018 (Rs.)
1	2	3	4
<b>(1) ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	1	1,11,76,731	1,18,23,179
(b) Financial Assets			
(i) Non Current Investments	2	7,73,671	10,42,116
<b>(2) Current assets</b>			
(a) Inventories	3	3,09,33,519	2,09,87,000
(b) Financial Assets			
(i) Current Investments	4	1,00,00,000	-
(ii) Trade receivables	5	10,27,69,807	3,79,49,698
(iii) Cash and cash equivalents	6	13,13,327	3,02,75,316
(iv) Bank balances other than (iii) above	7	1,82,07,022	1,35,03,898
(v) Current Loans & advances	8	6,45,66,415	6,48,20,646
(c) Current Tax Assets (Net)		-	-
(d) Other current assets		-	-
<b>Total Assets</b>		<b>23,97,40,492</b>	<b>18,04,01,852</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share capital	9	71,70,000	71,70,000
(b) Other Equity	10	5,88,04,627	5,78,21,934
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Non Current Borrowings	11	5,16,61,059	6,43,38,733
(c) Deferred tax liabilities (Net)		3,15,792	3,30,169
(d) Other non-current liabilities		-	-
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Current Borrowings	12	1,52,83,496	1,04,61,608
(ii) Trade payables	13	10,33,11,662	3,26,91,152
(b) Other current liabilities	14	31,93,856	20,88,257
(c) Current Provisions		-	55,00,000
<b>Total Equity and Liabilities</b>		<b>23,97,40,492</b>	<b>18,04,01,852</b>

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**Accounting Policies, Contingent Liability**

**The notes referred above are integral part of Financial Statement**

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

**For Prabhu Steel Industries Limited**



**Chartered Accountants**

**FRN 114158W**

**Lalit Jham**

**Partner**

**(M.No. 040501)**

**Nagpur dated 24th May 2019**

**HARISH AGRAWAL**

**DIRECTOR**

**DIN 291083**

**DINESH AGRAWAL**

**DIRECTOR**

**DIN 291086**

**PRABHU STEEL INDUSTRIES LIMITED**  
**Profit and loss statement for the year ended 31st March 2019**

	Particulars	Note	31st March 2019	31st March 2018
I.	Revenue from operations	15	27,61,80,950	27,87,26,651
II.	Other income	16	42,34,731	2,74,43,757
<b>III.</b>	<b>Total Revenue (I + II)</b>		<b>28,04,15,680</b>	<b>30,61,70,408</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of materials consumed	17	9,57,275	5,81,967
	Purchases of Stock-in-Trade		27,02,12,522	28,03,30,987
	Changes in inventories	18	(99,46,519)	(1,26,68,862)
	Employees benefit expenses	19	22,27,381	6,37,220
	Finance Costs	20	59,69,282	15,60,085
	Depreciation and amortization expenses	1	7,35,478	6,18,188
	Other expenses	21	86,52,562	75,73,730
	<b>Total expenses</b>		<b>27,88,07,981</b>	<b>27,86,33,315</b>
<b>V.</b>	<b>Profit (Loss) before tax (III-IV)</b>		<b>16,07,699</b>	<b>2,75,37,093</b>
<b>VI</b>	<b>Tax expense:</b>			
	(1) Current Tax		4,00,000	55,00,000.00
	(2) Deferred Tax		(14,377)	(51,010)
	(3) Tax for Earlier years		2,39,383	21,824
<b>VII</b>	<b>Profit (Loss) for the period</b>		<b>9,82,693</b>	<b>2,20,66,279</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	<b>A. Items that will not be reclassified to Profit or Loss</b>			
	(i) Changes in Revaluation Surplus		-	-
	(ii) Remeasurements of Defined Benefit Plan		-	-
	(iii) Equity Instruments through OCI		-	-
	(iv) Less - Income Tax relating to items that will not be classified to Profit or Loss		-	-
	<b>B. Items that will not be reclassified to Profit or Loss</b>			
	(i) Exchange difference in translating Financial Statements of Foreign Operation		-	-
	(ii) Debt Instruments through OCI		-	-
	(iii) The effective portion of gain and loss on hedging instruments in a cash flow		-	-
			-	-

	(iv) Less - Income Tax relating to items that will be classified to Profit or Loss		-	-
			-	-
<b>IX</b>	<b>Total Comprehensive Income for the period (VII + VIII)</b>		<b>9,82,693</b>	<b>2,20,66,279</b>
<b>XIV</b>	<b>Earnings per equity share:</b>			
	(1) Basic		1.37	30.78
	(2) Diluted		-	-

**Accounting Policies,Contingent Liability**

The notes referred above are integral part of Finanacial Statement

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 24th May 2019

HARISH AGRAWAL      DINESH AGRAWAL  
DIRECTOR                      DIRECTOR  
DIN 291083                      DIN 291086

**PRABHU STEEL INDUSTRIES LIMITED**  
**Cash Flow Statement For The Year Ended 31 St March 2018**

		AMOUNT ( RS )		AMOUNT ( RS )	
A.	CASH FLOWS FROM OPERATING ACTIVITIES			31.03.2019	31.03.2018
	Net Profit Before Tax			1607699	27537093
	<b>ADJUSTMENTS :</b>				
	Depreciation			735478	618188
	Interest Paid			5969282	1560085
	Deferred Taxes			(14377)	-51010
	Revaluation Reserve Written Back			0	(3,01,610)
	OTHER INCOME ( Interest & Dividend )			(4138618)	-1938079
	Profit On Sale Of Fixed Asset			0	(2,53,80,564)
	Profit On Sale Of Investments			(95713)	-
	Opertaing Profit Before Working Capital Adjustments			4063751	2044103
	<b>CHANGES IN WORKING CAPITAL :</b>				
	Increase / Decrease In Inventories			(9946519)	-12639815
	Increase / Decrease In Debtors			(64820109)	-22756904
	Increase / Decrease In Loans & Advance			254231	-23371948
	Increase / Decrease In Current Liabilites			66226109	430025
	Increase / Decrease In Current Loans ( Liabilities )			4821888	7926231
	Cash Generated From Operations			599352	-48368308
	Taxes			625006	5470814
	Cash Flow Before Extraordinary Items			(25654)	-53839122
	Settlements If Any				
	<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>			<b>(25654)</b>	<b>-53839122</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase Of Fixed Assets			(89031)	-1444603
	Sale Of Fixed Assets			0	389796
	Sale Of Investments			268445	-
	Purchase Of Investments			(10000000)	-514000
	Profit On Sale Of Investments			95713	2,53,80,564
	OTHER INCOME ( Interest & Dividend )			4138618	1938079
	<b>NET CASH FROM INVESTING ACTIVITIES (B)</b>			<b>(5586255)</b>	<b>25749836</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Increase In Share Capital			0	-
	Increase / Decrease In Secured Loans			(2677674)	3,23,38,733
	Increase / Decrease In Unsecured Loans			(10000000)	9577288
	Interest Payments			(5969282)	-1560085
	<b>NET CASH FROM FINANCING ACTIVITIES (C)</b>			<b>(18646956)</b>	<b>40355936</b>
	Net Increase In Cash And Cash Equivalents (A+B+C)			(24258864)	12266650
	Opening Balance Of Cash And Cash Equivalents			43779213	31512564
	<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>			<b>19520349</b>	<b>43779213</b>

**Accounting Policies,Contingent  
Liability**

**The notes referred above are integral part of Finanacial Statement**

**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 24th May 2019**

**HARISH AGRAWAL**

**DIRECTOR**

**DIN 291083**

**DINESH AGRAWAL**

**DIRECTOR**

**DIN 291086**

**PRABHU STEEL INDUSTRIES LIMITED**  
**Notes Forming part of Balance Sheet as at 31st March 2019**

**NOTE 2**

<u>Non Current Investments</u>	As on 31st March 2019	As on 31st March 2018
<b>A.Trade Investments</b>		
<b>Total (A)</b>	-	-
<b>B. Other Investments</b>		
(a) Investment Properties		
(a) Investment in Equity instruments	7,73,670.75	10,42,115.75
(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>	7,73,670.75	10,42,115.75
<b>Grand Total (A + B)</b>	7,73,670.75	10,42,115.75
Less: Provision for diminution in the value of Investments	-	-
<b>Total</b>	<b>7,73,670.75</b>	<b>10,42,115.75</b>

**NOTE 3**

<u>Inventories</u>	As on 31st March 2019	As on 31st March 2018
Finished Goods ( Iron & steel )	1,69,07,572.00	74,01,634.00
Land	1,29,75,000.00	1,29,75,000.00
Shares	10,50,947.00	6,10,366.00
<b>Total</b>	<b>3,09,33,519.00</b>	<b>2,09,87,000.00</b>

**NOTE 4**

<u>Current Investments</u>	As on 31st March 2019	As on 31st March 2018
Investments in Mutual Funds	1,00,00,000.00	-
<b>Total</b>	<b>1,00,00,000.00</b>	-

**NOTE 5**

<u>Trade Receivables</u>	As on 31st March 2019	As on 31st March 2018
	-	-

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>9,82,49,437.50</b>	<b>3,46,03,792.00</b>
<b>Secured, considered doubtful</b>	-	-
Less: Provision for doubtful debts	-	-
	<b>9,82,49,437.50</b>	<b>3,46,03,792.00</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>45,20,369.00</b>	<b>33,45,906.00</b>
<b>Unsecured, considered doubtful</b>	-	-
Less: Provision for doubtful debts	-	-
	<b>45,20,369.00</b>	<b>33,45,906.00</b>
<b>Total</b>	<b>10,27,69,806.50</b>	<b>3,79,49,698.00</b>

**NOTE 6**

<b>Cash and Cash equivalents</b>	<b>As on 31st March 2019</b>	<b>As on 31st March 2018</b>
<b>a. Balances with Banks</b>		
HDFC Bank Ltd. A/C NO.05022320000582	79,607.96	45,119.86
ICICI Bank (C/A.005905017527)	44,456.00	73,696.00
IDBI Bank C/A No.389103000000268	2,530.54	4,95,976.54
Nirmal Current A/c 5531021004902	1,03,301.50	31,03,873.50
Nirmal Ujjwal Credit Co-operative Society Ltd.	68,896.50	27,54,364.50
SBI A/C NO.10428122191	72,127.59	30,074.59
N.N.S.B. Bank A/c -001011100005666	47,220.35	1,93,26,087.57
AXIS Bank A/c No 917020060698798	1,03,850.90	34,88,955.20
Axis Bank Card	-	19,216.41
b. Cash In Hand	7,91,335.79	9,37,951.39
<b>Total</b>	<b>13,13,327.13</b>	<b>3,02,75,315.56</b>

**Note 7**

<b>Bank Balances</b>	<b>As on 31st March 2019</b>	<b>As on 31st March 2018</b>
<b>Fix Deposits with Banks</b>		
I.D.B.I.Bank FDR A/C	7,77,568.40	7,31,963.60
N.N.S.B. LTD (FDR A/C)	74,29,454.00	22,71,934.00
Rural Electrification Corp Ltd	-	5,00,000.00
Nirmal Urban Co-operative Bank FDR	1,00,00,000.00	1,00,00,000.00
<b>Total</b>	<b>1,82,07,022.40</b>	<b>1,35,03,897.60</b>

**NOTE 8**

<b>Current Loans and Advances</b>	<b>As on 31st March 2019</b>	<b>As on 31st March 2018</b>
<b>a. Loans and Advances to related parties</b>		
Hariyana Metals Limited	1,32,62,349.00	-
	1,32,62,349.00	-
<b>b. Others (specify nature)</b>		
Secured, considered good	-	-
Unsecured, considered good	5,13,04,066.13	6,48,20,646.49
Doubtful		
Less:Provision	-	-
	5,13,04,066.13	6,48,20,646.49
	<b>6,45,66,415.13</b>	<b>6,48,20,646.49</b>

**NOTE 9**

<b>Share Capital</b>	<b>As on 31st March 2019</b>	<b>As on 31st March 2018</b>
	<b>Amount</b>	<b>Amount</b>
-		
<b>Authorised</b>		
(15,00,000 Equity Shares of Rs.10/- each)	1,50,00,000.00	1,50,00,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
(7,17,000 Equity Shares of Rs.10/- each)	71,70,000.00	71,70,000.00
<b>Total</b>	<b>71,70,000.00</b>	<b>71,70,000.00</b>

a) The Company has only one class of shares referred to as equity shares having a par value of Rs. 10 each. Holder of equity shares is entitled to vote one vote per share.

b) The reconciliation of the number of shares outstanding as on 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 is set out below:

<b>PARTICULARS</b>	<b>As on 31st March 2019</b>	<b>As on 31st March 2018</b>
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 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018 are set out below:

<b>Name of the Shareholder</b>	<b>No. of Shares as on 31<sup>st</sup> March, 2019</b>	<b>Percentage of Shareholding as on 31<sup>st</sup> March, 2019</b>	<b>No. of Shares as on 31<sup>st</sup> March, 2018</b>	<b>Percentage of Shareholding as on 31<sup>st</sup> March, 2018</b>
Dinesh G. Agrawal	44050	6.14	44050	6.14



Hariyana Metals Ltd.	60650	8.46	60650	8.46
Priti G. Agrawal	51050	7.12	51050	7.12
Harish Agarwal	45350	6.32	45350	6.32
Suruchi Agarwal	45000	6.28	45000	6.28
Anita Agarwal	45000	6.28	45000	6.28

**NOTE 10**

<u>Reserves &amp; Surplus</u>	As on 31st March 2019	As on 31st March 2018
<b>(a) Capital Reserve</b>		
Opening Balance	47,38,874.25	47,38,874.25
Add : Current Year Transfer	-	-
Less : Written back in Current Year	-	-
Closing Balance	<b>47,38,874.25</b>	<b>47,38,874.25</b>
<b>(b) Revaluation Reserve</b>		
Opening Balance	18,57,265.00	21,58,875.00
Add : Current Year Transfer	-	-
Less : Written back in Current Year	-	3,01,610.00
Closing Balance	<b>18,57,265.00</b>	<b>18,57,265.00</b>
<b>(c) Surplus</b>		
Opening balance	5,12,25,794.33	2,91,59,515.33
(+) Net Profit/(Net Loss) For the current year	9,82,693.38	2,20,66,279.00
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	<b>5,22,08,487.71</b>	<b>5,12,25,794.33</b>
<b>Total (a)+(b)+(c)</b>	<b>5,88,04,626.96</b>	<b>5,78,21,933.58</b>

**NOTE 11**

<u>Non- Current Borrowings</u>	As on 31st March 2019	As on 31st March 2018
<b>Secured Borrowings :</b>	2,96,61,058.50	3,23,38,732.50
<b>Unsecured Borrowings:</b>	2,20,00,000.00	3,20,00,000.00
<b>Total</b>	<b>5,16,61,058.50</b>	<b>6,43,38,732.50</b>

**Note 12**

<u>Current Borrowings</u>	As on 31st March 2019	As on 31st March 2018
<b>Secured :</b>		

<b>(i) Loans Repayable on Demand</b>		
<b>Cash Credit</b>		
IDBI Bank(Agst FDR)a/c 38965500000019	1,68,958.44	58,259.76
N.N.S.B. Bank OD A/c (Agst FDR) -210	57,24,314.22	9,02,892.51
Nirmal OD A/c 55311181000220	90,02,737.50	86,90,257.50
<b>Car Loan</b>		
HDFC Bank car loan	3,87,486.00	8,10,198.00
<b>Total</b>	<b>1,52,83,496.16</b>	<b>1,04,61,607.77</b>

**NOTE 13**

<u>Trade Payables</u>	As on 31st March 2019	As on 31st March 2018
Sundry Creditors	10,30,52,733.30	2,59,58,354.30
Security Deposits Payable	41,602.00	32,475.00
Advance From Customers	2,17,327.00	67,00,323.00
<b>Total</b>	<b>10,33,11,662.30</b>	<b>3,26,91,152.30</b>

**NOTE 14**

<u>Other Current Liabilities</u>	As on 31st March 2019	As on 31st March 2018
<b>Other Credit Balances</b>		
Harish Agrawal	7,72,046.00	4,82,956.00
Dinesh Agrawal	4,80,687.00	1,42,377.00
<b>All Payables</b>		
Income Tax Deducted At Source	49,175.00	2,288.00
Income Tax Deducted At Source prof / retn	42,650.00	-
Income Tax Deducted At Source ( Property )	14,600.00	-
Income Tax Deducted (Salary)	75,000.00	-
CGST Receivable 49513.40		
Less :- IGST Receivable -1619.15	47,894.25	27,049.00
SGST Payable	3,05,265.40	27,049.00
MSEB Nagpur	14,06,538.00	14,06,538.00
<b>Total</b>	<b>31,93,855.65</b>	<b>20,88,257.00</b>

**Accounting Policies,Contingent Liability**

The notes referred above are integral part of Finanacial Statement

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)

HARISH AGRAWAL     DINESH AGRAWAL  
DIRECTOR             DIRECTOR  
DIN 291083             DIN 291086

Nagpur dated 24th May 2019

**ATTENDANCE SLIP**  
**47<sup>th</sup> ANNUAL GENERAL MEETING ON 8<sup>th</sup> AUGUST, 2019**

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

I hereby record my presence at the 47<sup>th</sup> Annual General Meeting of the Company at NEAR OLD MOTOR STAND ITWARI NAGPUR - 440008, on August 8<sup>th</sup>, 2019, Thursday at 11.00 A.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.

Electronic Voting Event Number (EVEN)	USER I'D	PASSWORD

**FORM NO. MGT-11****PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies Management and Administration Rules, 2014]

<b>Name of the Member(s):</b>	
<b>Registered address:</b>	
<b>E-mail Id:</b>	
<b>Folio No. /Client Id &amp; DP. Id:</b>	

I/We.....being a member / members holding.....shares of PRABHU STEEL INDUSTRIES LIMITED hereby appoint:

<b>1</b>	<b>Name:</b>	<b>Address:</b>
	<b>Email ID:</b>	<b>Signature:</b>
<b>2</b>	<b>Name:</b>	<b>Address:</b>
	<b>Email ID:</b>	<b>Signature:</b>
<b>3</b>	<b>Name:</b>	<b>Address:</b>
	<b>Email ID:</b>	<b>Signature:</b>

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 47<sup>th</sup> Annual General Meeting of the company, to be held on Thursday, August 8, 2019 at 11:00 A.M. at Near Old Motor Stand itwari Nagpur - 440008 and at any adjournment thereof in respect of such resolutions as are indicated below:

<b>Sr. No</b>	<b>Description.</b>	<b>No. of shares held</b>	<b>FOR</b>	<b>AGAINST</b>
1	To Receive, Consider and Adopt the Profit and Loss Account of the Company for the year ended 31st March, 2019 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2019 and Report of the Directors and Auditors thereon.			
2	To appoint a Director in place of Mr. Dinesh Gangaram Agarwal, Managing Director (DIN: 00291086) who retires by rotation and being eligible offered himself for re-appointment.			
3	To appoint a Director in place of Mr. Harish Agrawal, Executive Director (DIN: 00291083) who retires by rotation and being eligible offered himself for re-appointment.			
4	To Consider the appointment of Mr. Gulshan Jagdish Jham, Chartered Accountant, as Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.			
5	Regularisation Of Additional Director, Mr Pramod Dnyaneshwar Kale By Appointing Him As Independent Director Of The Company			
6	Regularisation Of Additional Director, Ms Sonali Pramod Paithankar By Appointing Her As Independent Director Of The Company			

Signed this \_\_\_\_\_, 2019

Signature(s) of the Shareholder(s).....

Signature of Proxy Holder.....

**Notes:** 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.

**PAPER - MGT -12**  
**BALLOT PAPER/POLLING PAPER**

<b>Name(s) of Member(s) :</b> (In BLOCK/CAPITAL LETTERS)	
<b>Registered Address :</b>	
<b>DP ID / Client ID* or Registered Folio No :</b>	
<b>No. of equity shares held :</b>	

**\*Applicable in case of Share held in electronic form**

I/We hereby exercise my/our vote in respect of the following resolution(s) as set out in the Notice of 47th Annual General Meeting of Company scheduled to be held on Thursday, August 8, 2019 at 11:00 A.M. at Near Old Motor Stand itwari Nagpur - 440008, which is proposed to be placed for consideration of members at the aforesaid Annual General Meeting of the Company, by conveying my/our assent and/or dissent to the said Resolution(s) in the relevant box as stated here in below:

<b>ResoNo.</b>	<b>Resolution</b>	<b>No. of Equity Share(s) held</b>	<b>I/We assent to the resolution (For)*</b>	<b>I/We dissent to the resolution (Against)*</b>
<b>Ordinary Businesses</b>				
1.	To Receive, Consider and Adopt the Profit and Loss Account of the Company for the year ended 31st March, 2019 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2019 and Report of the Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Dinesh Gangaram Agarwal, Managing Director (DIN: 00291086) who retires by rotation and being eligible offered himself for re-appointment.			
3.	To appoint a Director in place of Mr. Harish Agrawal, Executive Director (DIN: 00291083) who retires by rotation and being eligible offered himself for re-appointment.			
4.	To Consider the appointment of Mr. Gulshan Jagdish Jham, Chartered Accountant , as Statutory Auditors of the Company and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.			
<b>Special Businesses</b>				
5.	Regularisation Of Additional Director, Mr Pramod Dnyaneshwar Kale By Appointing Him As Independent Director Of The Company			
6.	Regularisation Of Additional Director, Ms Sonali Pramod Paithankar By Appointing Her As Independent Director Of The Company			

\*Please put a tick mark (✓) in appropriate column against the resolution(s) indicated above. In case of member/proxy wishes his/her vote to be used differently, he/she should indicate the number of shares under the columns 'For' and/or 'Against'.

**Place:**

**Date:**

\_\_\_\_\_  
**Signature of Member**

## INSTRUCTIONS

### 1. General Instructions:

- a. There will be one Ballot Form / remote e-voting for every Client ID No./Folio No., irrespective of the number of joint holders.
- b. Members have option to vote either through Ballot Form or through remote e-voting. If a member has opted for Physical Ballot, then he/she should not vote by remote e-voting and vice versa. However, in case Shareholders cast their vote through both physical postal ballot and remote e-voting, then vote cast through remote e-voting shall prevail and vote cast through Physical Postal Ballot shall be considered as invalid.
- c. Voting in the ballot/e-voting cannot be exercised by a proxy. However, corporate and institutional members shall be entitled to vote through their authorized representatives with proof of their authorization, as stated below.
- d. The Scrutinizer's decision on the validity of a Ballot/remote e-voting shall be final and binding.

### 2. Instructions for voting physically by Postal Ballot Form:

- a. A member desirous of exercising his/her Vote by Ballot may complete this Ballot Form and send it to the Scrutinizer, **Jaymin Modi & Co., a Practicing Company Secretary, at A/302 Om Mahavir CHSL, Navghar Road, Bhayander (E), Thane-401105**, in the attached self addressed envelope. Postage will be borne and paid by the Company. Further, any envelopes containing postal ballot, if deposited in person or sent by courier at the expense of the Registered Member(s) will also be accepted.
- b. The self-addressed postage pre-paid envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
- c. This Form must be completed and signed by the Member, as per specimen signature registered with the Company or Depository Participant, as the case may be. In case of joint holding, this Form must be completed and signed (as per the specimen signature registered with the Company) by the first named Member and in his/her absence, by the next named Member.
- d. In respect of shares held by corporate and institutional members (companies, trusts, societies, etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- e. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (✓) in the appropriate column in the Ballot Form. The assent or dissent received in any other form shall not be considered valid.
- f. Members are requested to fill the Ballot Form in indelible ink and avoid filling it by using erasable writing medium(s) like pencil.
- g. Duly completed Ballot Form should reach the Scrutinizer not later than the close of working hours by 5.00 p.m. on **Wednesday, 7<sup>th</sup> August, 2019**. All Ballot Forms received after this date will be strictly treated as if no reply has been received from the Member.
- h. A Member may request for a duplicate Ballot Form, if so required, and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No.2 (g) above.
- i. Members are requested not to send any other paper along with the Ballot Form. They are also requested not to write anything in the Ballot Form except giving their assent or dissent and putting their signature. If any such other paper is sent, the same will be destroyed by the Scrutinizer.
- j. Incomplete, unsigned or incorrectly ticked Postal Ballot Forms will be rejected.
- k. The Scrutinizer shall within a period not exceeding two (2) working days from the conclusion of the e voting period unblock the votes in the presence of at least two (2) witness not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website within two (2) days of passing of the resolutions at the AGM of the Company and shall be communicated to the Stock Exchange, where its securities are listed.

### 3. Process for Members opting for Remote E-Voting:

- a. In case of members receiving the Ballot Form by Post:  
User ID and initial password is provided at the bottom of the Ballot Form.
- b. If you are already registered with NSDL for remote e-voting then you can use existing user ID and password for Login to cast your vote.
- c. In case of any queries, remote e-voting user manual for shareholders available at the Downloads section on NSDL remote e-voting website: [www.evotingindia.com](http://www.evotingindia.com).
- d. The period for remote e-voting starts **on Monday, 5<sup>th</sup> August, 2019 at 9.00 a.m. and ends on Wednesday, 7<sup>th</sup> August, 2019 at 5.00 p.m.**

**ROUTE MAP TO THE VENUE OF THE 47th ANNUAL GENERAL MEETING ON THURSDAY, AUGUST 8<sup>th</sup> 2019 AT 11.00 A.M.**

