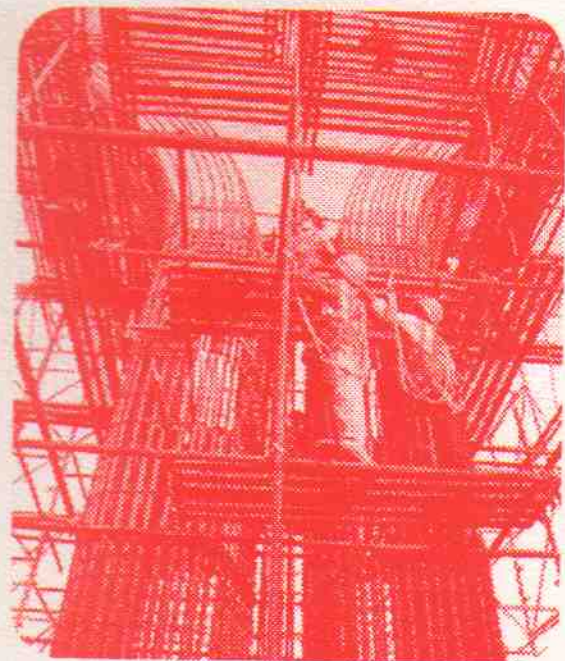


**PRABHU
STEEL
INDUSTRIES
LIMITED**



Annual Report 2012 -13

PRABHU STEEL INDUSTRIES LIMITED

COMPANY REGN. NO : 11 - 015817

ANNUAL REPORT

2012 - 2013

REGISTERED OFFICE

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

BOARD OF DIRECTORS

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

AUDITORS

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

BOOK CLOSURE

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

PRABHU STEEL INDUSTRIES LIMITED**NOTICE**

NOTICE is hereby given that the Annual General Meeting of the Members of Prabhu Steel Industries Limited will be held on Monday, the 30th day of September, 2013 at 01.00 P. M. at the Registered Office of the Company at Near Old Motor Stand, Itwari, Nagpur – 440 008 (Maharashtra) to transact the following business as an Ordinary Business :

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

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2013 and the Balance Sheet as at that date and Reports of the Auditors and Directors thereon including Secretarial Compliance Certificate.
2. To appoint a Director in place of Mr. Krishan Kumar Agrawal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and if thought fit, to pass the following resolution with or without modification(s):

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

By order of the Board

Place: Nagpur

Dated: 31st August, 2013

Director

NOTES

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

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF ANNUAL REPORT.

PRABHU STEEL INDUSTRIES LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report and Audited Statement of Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS / WORKING:

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

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

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

DIVIDEND:

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

PUBLIC DEPOSITS:

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

CONSERVATION OF ENERGY:

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

TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT:

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

PARTICULARS OF EMPLOYEES:

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

DIRECTOR:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors confirms:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
2. That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;

3. That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the directors had prepared the annual accounts on a going concern basis.

AUDITORS:

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

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

SECRETARIAL COMPLIANCE CERTIFICATE:

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

ACKNOWLEDGEMENTS:

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

For and on behalf of the Board

Place: Nagpur

DIRECTOR

DIRECTOR

Dated: 31st August, 2013

ANNEXURE TO THE REPORT OF THE DIRECTORS

CONSERVATION OF ENERGY:

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

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

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

TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT:

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

FOREIGN EXCHANGE EARNINGS / OUTGO:

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

For and on behalf of the Board

Place: Nagpur
Dated 31st August, 2013

DIRECTOR

DIRECTOR

In dependent Auditor's Report

To the Members of

PRABHU STEEL INDUSTRIES LIMITED

Nagpur.

Report on the Financial Statements

We have audited the accompanying financial statements of **PRABHU STEEL INDUSTRIES LIMITED**, which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

ATTENTION IS INVITED TO THE FOLLOWING :-

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

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

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:

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

- (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, 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 Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
- (d) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

LALIT JHAM & CO.
Firm Registration No: 114158W

Place:
Date: 31ST AUGUST 2013.

LALIT JHAM
PARTNER
Membership No: 40501

(C) In respect of loans taken and granted by the company, the interest payment & receipt is regular and the principal amount is repayable on demand.

(D) Since the loans taken and granted by the company are repayable on demand, no question of overdue amounts arises.

In our opinion and according to the information and explanations given to us, there are no internal control procedures commensurate with the size of the company and nature of its business with regard to purchase of inventory and fixed assets and with regard for the sale of goods and services.

In respect of contracts or arrangements entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956.

(A) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act 1956 have been so entered.

(B) In our opinion and explanation given to us, the transactions exceeding the value of 5 lakh in respect of any party during the year have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time where such prices are available.

In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public and therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956 and Rules made there under are not applicable to the Company.

In our opinion, the company has no internal audit system commensurate with its size and nature of its business.

The maintenance of cost record has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956.

In respect of statutory dues:

(A) According to the information and explanations given to us, the company was generally regular in depositing dues in respect of Employees Provident Fund, Employees State Insurance Fund, and other statutory dues except in certain cases of income tax and sales tax, with the appropriate authority during the year.

(B) According to the records examined by us and the information and explanations given to us, there are no disputed amounts due in respect of income tax, wealth tax, sales tax, excise duty, Employees provident fund, Employee state insurance fund and other statutory dues at the end of the year.

- 10 The Company has accumulated losses of Rs. Nil and the company incurred cash loss of Rs. Nil during the financial year covered by our audit and Rs. 16,86,000 in the immediately preceding financial year.
- 11 Based on our audit procedures and on the basis of information and explanations given by the management, the Company has not defaulted in the repayment of dues to banks, financial institutions and Debentures holders during the year.
- 12 In our opinion and according to information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other security.
- 13 In our opinion the company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society. Therefore, the provisions of clause 4(XIII) of the CARO,2003 are not applicable to the company.
- 14 The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the order are not applicable.
- 15 The Company has not given Guarantees for the loan taken by others from banks or financial institutions.
- 16 As per record of the company, the company has not received any term loans during the year.
- 17 According to the information and explanations given to us and on examination of balance sheet, funds raised on short term basis have, prima facie, not been used during the year for long term investment and vice versa.
- 18 The company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year.
- 19 The Clause 13 of the order is not applicable, as the company has not issued any debentures during the year.
- 20 The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.

For Lalit Jham & Co.
Chartered Accountants
FRN 114158w

Lalit Jham
Partner
M.no : 040501

For Prabhu Steel Industries Ltd

Director

Director

PRABHU STEEL INDUSTRIES LIMITED
Balance Sheet as at 31st March 2013

Particulars	Notes	31st March 2013	31st March 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	7,169,000.00	7,169,000.00
(b) Reserves and Surplus	2	18,793,198.99	17,694,827.65
2 Non-Current Liabilities			
(a) Long Term Borrowings	3	1,460,271.53	2,223,346.53
(b) Deferred tax Liabilities (Net)		394,808.00	646,441.00
3 Current Liabilities			
(a) Trade Payables	4	36,803,303.08	48,059,174.18
(b) Short-Term Borrowing	5	31,922,223.05	33,066,594.00
(c) Other Current Liabilities	6	80,448.79	43,442.00
(d) Short-Term Provisions		-	-
TOTAL		96,523,253.44	108,962,825.36
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets			
(i) Tangible Assets	7	12,414,200.44	13,094,495.07
(ii) Intangible Assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible Assets under development		-	-
(b) Non Current Investment	8	361,249.75	1,368,850.00
(c) Other Non-current Assets		-	-
(d) Deferred tax Asset (Net)		-	-
2 Current assets			
(a) Inventories	9	10,524,104.00	16,196,607.00
(b) Trade receivables	10	29,244,073.62	40,630,815.00
(c) Cash and cash equivalents	11	24,455,062.49	18,678,880.66
(d) Short-term loans and advances	12	19,624,563.14	18,933,177.63
(e) Other current assets		-	-
TOTAL		96,523,253.44	108,962,825.36

Accounting Policies, Contingent Liability 13

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

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

For Prabhu Steel Industries Limited

Lalit Jham
 Partner
 (M.No. 040501)
 Nagpur dated 31st August 2013

Director

Director

Profit and loss statement for the year ended 31st March 2013

Particulars	Notes	31st March 2013	31st March 2012
I. Revenue from operations	14	147,997,577.83	99,383,230.00
II. Other income	15	3,840,334.00	13,782,622.36
III. Total Revenue (I + II)		151,837,911.83	113,165,852.36
IV. Expenses:			
Cost of materials consumed	16	449,498.80	925,805.59
Purchases of Stock-in-Trade		136,904,684.21	103,219,720.56
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	17	5,672,503.00	(3,778,699.00)
Employee benefits expense	18	924,000.00	107,771.00
Finance costs	19	1,653,481.77	2,654,047.64
Depreciation and amortization expense		798,698.00	1,091,601.00
Other expenses	20	5,799,655.10	10,233,442.34
Total Expenses		152,202,520.88	114,453,689.13
V. Profit/Loss before exceptional and extraordinary items and tax (III-IV)		(364,609.05)	(1,287,836.77)
VI. Exceptional Items		-	-
VII. Profit/Loss before extraordinary items and tax (V - VI)		(364,609.05)	(1,287,836.77)
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		(364,609.05)	(1,287,836.77)
X Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-251,633.00	678,204.00
(3) Tax for Earlier years		(1,211,347.39)	347,089.00
(4) Earlier years (TDS)		-	0.00
XI Profit (Loss) for the period from continuing operations (VII-VIII)		1,098,371.34	(2,313,129.77)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)		-	-
XV Profit/(Loss) from last year		10,546,279.23	12,859,409.00
XVI Profit (Loss) for the period (XI + XIV)		1,098,371.34	(2,313,129.77)
XVII Earnings per equity share:			
(1) Basic		1.53	(3.23)
(2) Diluted		-	-

Accounting Policies, Contingent Liability

Schedule "14" to "20" referred to above form an integral part of the Profit & Loss Account

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

Lalit Jham
Partner
(M.No. 040501)
Nagpur dated 31st August 2013

For Prabhu Steel Industries Limited

Director

Director

Notes Forming part of Balance Sheet as at 31st March 2013

Note 1

Share Capital	As on 31st March 2013	As on 31st March 2012
	Number	Amount
Authorized (15,00,000 Equity Shares of Rs.10/- each)	1,500,000	15,000,000.00
Issued (7,17,000 Equity Shares of Rs.10/- each)	717,000	7,170,000.00
Subscribed & Paid up (7,17,000 Equity Shares of Rs.10/- each) Less: Allotment Money Due from other than Directors	717,000	7,170,000.00 1,000.00
Total		7,169,000.00

- a). The company has only one class of shares referred to as equity share having a par value of rs. 10 Each. Holder of equity share is entitled to vote one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders, except in the case of interim dividend.
- b). The reconciliation of the number of shares outstanding as on March 31, 2013 and March 31, 2012 is set out below:

PARTICULARS	As on 31.03.2013	As on 31.03.2012
Number of shares as at the beginning	717000	717000
Add: Shares allotted during the period	NIL	NIL
Number of shares at the end	717000	717000

- c). The details of shareholders' holding more than 5% shares as on March 31, 2013 & 31st March 2012 are set out below

Name of the Shareholder	Percentage of Shareholding as on 31 st March 2013	Percentage of Shareholding as on 31 st March 2012	No. of shares as on 31 st March 2013	Percentage of Shareholding as on 31 st March 2012
Dinesh G Agarwal	44050	6.14	44050	6.14
Haryana Metal Ltd	70000	9.76	70000	9.76
Mahesh Agriculture	64600	9.9	64600	9.9
Priti G Agarwal	51050	7.12	51050	7.12
Gopal Finance Pvt.Ltd.	111700	15.58	111700	15.58

Note 2

Reserves & Surplus	As on 31st March 2013	As on 31st March 2012
(a) Capital Reserve		
Opening Balance	4,738,874.25	4,738,874.25
Add : Current Year Transfer	-	-
Less : Written back in Current Year	-	-
Closing Balance	4,738,874.25	4,738,874.25
(b) Revaluation Reserve		
Opening Balance	2,409,675.00	2,483,953.00
Add : Current Year Transfer	-	-
Less : Written back in Current Year	-	74,278.00
Closing Balance	2,409,675.00	2,409,675.00
(c) Surplus		
Opening balance	10,546,278.40	12,859,408.17
(+) Net Profit/(Net Loss) For the current year	1,098,371.34	-2,313,129.77
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	-
(-) Interim Dividends	-	-
(-) Transfer to Reserves	-	-
Closing Balance	11,644,649.74	10,546,278.40
Total (a)+(b)+(c)	19,793,198.99	17,694,827.65

Note 3

Long Term Borrowings	As on 31 March 2013	As on 31 March 2012
Secured Borrowings :		
Term Loan		
From Bank	203,120.00	966,195.00
Unsecured Borrowings:	1,257,151.53	1,257,151.53
Total	1,460,271.53	2,223,346.53

Note 4

Trade Payables	As on 31 March 2013	As on 31 March 2012
Sundry Creditors	27,784,160.77	44,472,769.87
Security Deposits Payable	44,164.00	97,426.00
Advance From Customers	8,974,978.31	3,488,978.31
Total	36,803,303.08	48,059,174.18

Short Term Borrowings	As at 31 March 2013	As at 31 March 2012
Secured :		
(i) Loans Repayable on Demand		
Cash Credit		
From IDBI Bank(Against FDR)	15,147,220.05	11,666,594.00
Unsecured :		
SDS Udyog	10,000,000.00	10,000,000.00
Harish Agrawal	275,003.00	900,000.00
Sarvesh Agency India Pvt Ltd	4,000,000.00	8,000,000.00
Balaji Finvest Consultant P.Ltd	2,500,000.00	2,500,000.00
Total	31,922,223.05	33,066,594.00

Note 6

Other Current Liabilities	As on 31 March 2013	As on 31 March 2012
All Payables		
Income Tax Deducted At Source	1,307.00	
Income Tax Deducted At Source prof / retn	8,417.00	
Professional Tax Payable (Employees)	2,200.00	
Vat Payable	68,524.79	
Total	80,448.79	
Other Credit Balances		
Nagpur Nagarik Sahakari Bank		43,441.55
Due to Bank Reconciliation		
Total	80,448.79	43,441.55

Note 8

Non Current Investments	As at 31 March 2013	As at 31 March 2012
A.Trade Investments		
Total (A)		
B. Other Investments		
(a) Investment Properties		
(a) Investment in Equity instruments	361,249.75	1,368,850.00
(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)		
Total (B)	361,249.75	1,368,850.00
Grand Total (A + B)	361,249.75	1,368,850.00
Less : Provision for dimunition in the value of Investments	-	-
Total	361,249.75	1,368,850.00

Note 9

Inventories	As on 31 March 2013	As on 31 March 2012
Finished Goods	10,524,104.00	16,196,607.00
Stores & Spares	-	-
Total	10,524,104.00	16,196,607.00

Note 10

Trade Receivables	As on 31 March 2013	As on 31 March 2012
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	26,429,708.62	33,275,560.00
Secured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	26,429,708.62	33,275,560.00
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	2,814,365.00	7,355,255.00
Unsecured, considered doubtful	-	-
Less: Provision for doubtful debts	-	-
	2,814,365.00	7,355,255.00
Total	29,244,073.62	40,630,815.00

Note 11

Cash and Cash equivalents	As on 31 March 2013	As on 31 March 2012
a. Balances with Banks		
HDFC Bank Ltd. A/C NO.05022320000582	364,723.19	2,513,924.49
ICICI Bank (C/A.005985002028)	12,011.04	12,403.94
IDBI Bank LTD CA NO.389103000000268	2,921,962.47	3,096,041.44
SBI A/C NO.10428122191	323,025.09	362,343.09
State Bank Of India Baroda A/C.66013829658	14,651.54	14,651.54
Cheque In Hand	2,432,825.00	-
N.N.S.B. Bank C/a -5666	48,240.01	-
b. Fix Deposits with banks		
I.D.B.I.Bank FDR A/C	17,048,738.00	12,000,000.00
c. Cash on hand	1,288,886.15	679,516.16
Total	24,455,052.49	18,573,880.66

Note 12

Short-term Loans and Advances	As on 31 March 2013	As on 31 March 2012
a. Loans and Advances to related parties	-	-
b. Others (specify nature)		
Secured, considered good	-	-
Unsecured, considered good	19,624,563.14	18,933,177.63
Doubtful		
Less: Provision	-	-
	19,624,563.14	18,933,177.63
	19,624,563.14	18,933,177.63

As per our Report of even date

For Prabhu Steel Industries Limited

For Lalit Jham & Co.

Chartered Accountants

FRN 114158W

Director

Director

Lalit Jham

Partner

(M.No. 040501)

Nagpur dated 31st August 2013

PRABHU STEEL LIMITED

ACCOUNTING POLICIES & NOTES ON ACCOUNTS

Schedule " " and " "

A. Significant Accounting Policies**1. System of Accounting: -**

The financial statements have been prepared to comply in all material respects with the generally accepted accounting principles, Accounting Standards notified under Section 211(3C) of the Companies Act, 1956 and the relevant provisions thereof.

The financial statements have been prepared under the historical cost convention on accrual basis of accounting except that insurance and other claims/refunds are being accounted for/adjusted in the books as and when settled. The accounting policies have been consistently applied by the Company and are in line with those used last year. The Company has not carried out any fresh business, on account any accumulated losses, the net worth of the company had eroded, the account of the company has been prepared on the going concern basis, although there exists an uncertainty about the future activities.

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

2. Revenue Recognition: -

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

3. Fixed Assets: -

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

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

4. Depreciation on Fixed Assets: -

Depreciation is provided on fixed assets on straight line basis in accordance with the rates prescribed in Schedule XIV of the Companies Act 1956.

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount. The recoverable amount is the greater of the assets' net

selling price and the value in use. In assessing value in use the estimated future cash flows are discounted to their present value at the weighted average cost of capital

Till 31ST March, 1993:

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

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

After 31ST March, 1993:

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

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

5. Investments: -

Investments are of long term nature and stated at cost.

6. Inventories: -

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

7. Employee Benefits

Contributions to defined contribution schemes such as provident fund are charged to profit and loss account as incurred. The liability for Gratuity has been provided. Actuary provision for Leave encashment payable to the employees is not made as the same is accounted on cash basis.

8. 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.

5. Cash Flow Statement

The Company has prepared the Cash Flow Statement using the Indirect Method in compliance with Accounting Standard issued by The Institute of Chartered Accountants of India (AS-3).

6. 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.

7. 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	2013	2012
	Amount	Amount
(a) LABOUR MATTERS	3,98,473	3,98,473
(b) SALES TAX(Disputed on Appeal)	80,00,497	80,00,497
II. Estimated value of contract remaining to be executed on capital accounts and not provided for (Net of advances)	Nil	Nil

8. 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

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

Auditors Remuneration	2012-13	2011-12
	(`)	(`)
Audit Fees & Tax Audit Fee	70000	60000

- Payment to Director

Directors Remuneration	2012-13	2011-12
	(`)	(`)
Salary & Bonus	-	-
Sitting fees	3000	3000
Total	3000	3000

- Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.
- Loans and advances includes amount outstanding from directors or/and Company in which directors are interested. Maximum Balance during the year:

	2012-13		2011-12	
	(`)	(`)	(`)	(`)
	Closing Balance (`)	Max. Bal. (`)	Closing Balance (`)	Max. Bal. (`)
Hariyana General Trading Corp.	2098824	2098824	2098824	2098824
Hariganga Alloys & Steel	169000	235000	101000	233000
Total	2267824	2333824	2199824	2331824

- Additional information pursuant to provision of paragraph 3 and 4 of part II of the schedule VI of the companies Act, 1956 is Nil or none except given below.

C) PRODUCTION QUANTITY:-

	Unit	31/03/2013	31/03/2012
Iron & Steel	MT		

Iron & Steel

MT

--

D[1] OPENING STOCK OF FINISHED GOODS:-

	01/04/2013		01/04/2012	
	Quantity	(MT)	Quantity	(MT)
Iron & Steel	404		324	

D[2] CLOSING STOCK OF FINISHED GOODS:-

	31/03/2013		31/03/2012	
	Quantity	(MT)	Quantity	(MT)
Iron & Steel	283		404	

E) PURCHASE OF TRADING & FINISHED GOODS:-

	2012-13		2011-12	
	Quantity	Unit	Quantity	Unit
	3768		2669	

F) TURNOVER:-

Class of Goods	2012-13		2011-12	
	Quantity	Unit	Quantity	Unit
Iron & Steel	3647		2749	

Trading Goods :

(a) Consumption of consumables and raw material have been arrived by adding purchases to opening stock and deducted closing stock there from.

Sr.No.	Items	Unit	Qty		(') 2012 NIL
			2013	2012	
Total					

A% of imported & indigenous raw material & consumables

	2012-13		2011-12	
	%	(')	%	(')
Imported		Nil		Nil
Indigenous		Nil	NIL	NIL
Total				

8. Investment Break-up

Details of Other Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No	If A Col is B Va
			31-03-2013	31-03-2012			31-03-2013	31-03-2012	31-03-2013	31-03-2012		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
(a)	Investment in Equity Instruments											
	Haryana Metal Ltd		54500	54500	Unquoted	Fully Paid			1,66,422	1,66,422	Yes	
	Mahesh Agri Implements & Steel Forgings Ltd		63550	63550	Unquoted	Fully Paid			1,93,828	1,93,828	Yes	
	Agrawal Pat Sarstha Ltd		10	10	Unquoted	Fully Paid			1,000	1,000	Yes	
	Nagpur Nagrik Sahakari Bank Ltd			20152	Unquoted	Fully Paid				10,07,600	Yes	
(b)	Other non-current investments (specify nature)											
	Total		118060	138212					3,61,250.00	1,368,850.00		

7. Major components of Deferred tax

Particulars	As at 31.03.2013 (₹)
A) Deferred Tax Liabilities	
Depreciation	-61182.00
Total	
B) Deferred Tax Assets	
Disallowance u/s 40(a)(ia)	
Disallowance U/s 43B	
Gratuity Disallowed	
MAT credit available	
Total	
Net Deferred Tax liabilities/(assets) (A-B)	-61 182.00

8. Related Party Disclosure

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

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

The Company has recorded purchase of four vehicles for gross value of ₹ 34,24,472/- (Previous year ₹ 24,412/-) in the books. Vehicles has been financed by banking companies to the directors individually. The vehicles are also registered in the name of director as individual. The post dated cheques of the company have been given for future payments. The running and maintenance including depreciation and finance charges are charged to the Profit & Loss Account of the Company. The loans of these cars have been repaid. The finance amount

Transaction with Related Parties

Sr. No.	Nature of Transaction		Name of Related Party
1	Remuneration	Nil	-----
2	Purchase of RM / PM / FG	Nil	-----
3	Revenue Expenses	1,32,000	
4	Purchase of Fixed Assets	-----	
5	Sales of RM / PM / FG	-----	
6	Loan Received	-----	
7	Advance Given	2267824	

1. Segment Reporting: -
Geographical Segments

Sr. No.	Particulars	Amount
1	Domestic sales	
2	Export Sales	Nil
	Total	

Business Segments

Sr. No.	Particulars	Amount
1	Iron & Steel	
	Total	

10. unsecured loans & Advances:

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

b. The Company has recorded purchase of four vehicle(cars) for gross value of RS. 34,24,412/- (Previous year RS.34,24,412/-) in the books. Vehicles has been financed by banking companies to the directors individually. The vehicles are also registered in the name of director as individual. The post dated cheques of the company have been given for future payments. The running and maintenance including depreciation and finance charges are charged to the Profit & Loss Account of the Company. The loans of three cars have been repaid. The finance amount

In terms of Our Separate Report of
Even Date Attached

Nagpur Dated the, 31s August, 2013

For Lalit Jham & Co.
Chartered Accountants
FRN 114158w

For Prabhu Steel Industries Ltd

Lalit Jham
Partner
M.no : 040501

Director

Director

* Applicable for Investors holding shares in Electronic Mode.

PRABHU STEEL INDUSTRIES LIMITED

Registered Office : Old Motor Stand, Itwari, Nagpur - 2

PROXY FORM

(To be handed over at the entrance of the Meeting Hall)

I hereby record my presence at he 40th ANNUAL GENERAL MEETING at Old Motor Stand, Itwari, Nagpur - 8 on Saturday, the 30th day of September, 2013 at 1.00 pm

Name of the Member _____

No. of Shares held _____

Folio No. _____

DP ID* _____ Client ID* _____

Name of the Proxy / Representative (in Block Letter)
(To be filled in if the Proxy attends instead of the Member)

Signature of the Members of Proxy / Representative

PRABHU STEEL INDUSTRIES LIMITED

Registered Office : Old Motor Stand, Itwari, Nagpur - 2

PROXY FORM

I/We _____ of _____

in the district of _____ being a Member/Members of Prabhu Steel Industries Ltd.. Hereby appoint _____

of _____ in the district of _____ of failing him

_____ in

the district of _____

as

my/our Proxy to attend and vote for me/us are on my/our behalf at the 40th ANNUAL GENERAL MEETING of the company to be held on Monday, the 30th day of September,

Signed this _____ day of _____ 2013

Signature(s) of

The Member(s)

Folio No.

D.P. ID*

Client ID*

Note :

1. This Proxy Form Must be deposited at the Registered Office of the company, not later than 48 hours before the time of meeting.
2. A Proxy need not be a member

