

## **BOARD OF DIRECTORS**

**G.L. SHARMA CHAIRMAN**

**S.K. GUPTA**

**R.K. KUSHWAHA**

## **REGISTERED OFFICE**

**"SATYAM"**

**4/276, PARWATI BAGLA ROAD**

**KANPUR-208 002**

## **BANKERS**

**Punjab National Bank, Kanpur**

**HDFC BANK, KANPUR**

**Indus Ind. Bank, Jaipur**

## **AUDITORS**

**KAMAL GUPTA ASSOCIATES,  
KANPUR**

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# Prabhat Securities

## NOTICE

NOTICE is hereby given that 11<sup>th</sup> Annual general meeting of the shareholder of the company will be held on 30<sup>th</sup> September, 2010 at 1:00 P.M. at Satyam, 4/276, Parwati Bagla Road, Kanpur to transact the following business.

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts for the financial year ended 31<sup>st</sup> March, 2010 together with the report of the board of director's and the auditor's thereon.
2. To appoint the auditors and to fix their remuneration.
3. To appoint a director in place of Shri G.L. Sharma who retires by rotation in the ensuing Annual General Meeting and being eligible offers himself for re appointment.
4. To appoint Mrs. Rekha Kejriwal, Practicing Company Secretary in practice as Statutory Auditor.

By order and on Behalf of the Board  
For **PRABHAT SECURITIES LIMITED**

Sd/-  
Gulzari Lal Sharma  
DIRECTOR

Sd/-  
R.K. Kushwaha  
DIRECTOR

PLACE: - KANPUR

DATE:-16.08.2010

### NOTES:

1. A member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company.
2. A proxy in order to be effective, should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

# Prabhat Securities

## DIRECTORS REPORT

The directors of this company feels great pleasure to welcome you to the Annual General Meeting and to present before you the Annual report for the year ended on 31 March 2010, which is as under:-

### **FINANCIAL RESULTS**

Financial result of the Company for the year-ended 31.03.2010 shows a Profit of Rs. 27744.00 before Tax as compared to Rs.248692.16 in the previous year.

### **DIVIDEND**

Company has not declared dividend during the financial year.

### **COMPLIANCE CERTIFICATE**

In terms of the proviso to Sub section (1) of the Section 383 A of the companies Act, 1956 the compliance certificate signed and obtained from Mrs. Rekha Kejriwal, Practicing Company Secretary, for the year ended 31<sup>st</sup> March, 2010, duly enclosed herewith.

### **AUDITORS**

Your Auditors M/s Kamal Gupta Associates, Chartered Accountants, Kanpur, retire and being eligible offer, themselves for reappointment. Hence you are requested to appoint the Auditors and fix their remuneration.

### **AUDITORS REPORT**

The comments in the Auditors report read together with the notes to the accounts are self – explanatory and therefore, do not call for any further explanation.

### **PARTICULARS OF EMPLOYEES UNDER SECTION 217 (2A) OF THE COMPANIES ACT, 1956.**

The Company has no employee whose salary exceeds the limits prescribed under section 217(2A) of the companies Act, 1956. Hence, information required to be given under the side Section read with the companies (Particulars of Employees) Rules, 1975 has been provided in this report.

# Prabhat Securities

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING.

Information in accordance with the provision 217(1) (e) of the companies act, 1956 read with the companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988.

### DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to section 217(2AA) of the companies act, 1956, the Directors confirm that:

1. In the preparation of the annual accounts the applicable accounting standards have been followed.
2. The Directors had 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 or loss of the company for the year under review.
3. The director's had taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and
4. The Director's have prepared the annual accounts on a going concern basis.

By order and on Behalf of the Board  
For **PRABHAT SECURITIES LIMITED**

Sd/-  
Gulzari Lal Sharma  
CHAIRMAN

Sd/-  
R.K. Kushwaha  
DIRECTOR

PLACE: - KANPUR

DATE:-16.08.2010

# Prabhat Securities

To

The Members

**PRABHAT SECURITIES LIMITED**

SATYAM, 4/276, PARWATI BAGLA ROAD, KANPUR

Kanpur

I have examined the Registers, Records, Books and papers of M/s PRABHAT SECURITIES LIMITED as required to be maintained under the Companies Act, 1956 (the Act) and the Rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31<sup>st</sup> March, 2010. In my opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in 'Annexure-A' to this Certificate, as per the provisions of the Act and the Rules made there under and all the entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in 'Annexure-B' to this certificate with the Registrar of Companies within the time prescribed under the Act and rules made there under.
3. The Company being a Public Limited Company has the minimum prescribed Capital.
4. The Board of directors duly met 4 (Four Times) times as per 'Annexure-C' in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes maintained for the purpose.
5. The Company has not closed its Register of Members and the closure of Register of Debenture holders is not required as the Company has no Debentures.
6. The Annual General Meeting for the financial year ended 31<sup>st</sup> March, 2009 was held on 30.09.2009 after giving due notice to the Members of the Company and the resolution passed thereat were duly recorded in Minutes maintained for the purpose.
7. No Extra Ordinary General Meeting of the Company was Held during the year.
8. The Company has not advanced loan to the companies referred in the section 295 of the Act.
9. As informed, the Company has not entered into any contracts falling within the purview of Section 297 of the Act during the financial year.

# Prabhat Securities

10. The Company has made necessary entries in the Register maintained under Section 301 of the Act during the financial year.
11. There is no approval required pursuant to section 314 of the act during the said financial year.
12. The Company has not issued any duplicate Share Certificates during the financial year.
13. The Company has
  - (i) Not made any allotment/ transfer / transmission of securities during the financial year.
  - (ii) Not declared any dividend during the financial year, hence the Company has not deposited any amount of dividend in separate Bank Account.
  - (iii) The Company was not required to post warrants to any member as no dividend was declared during the financial year.
  - (iv) No unpaid dividend, nor any application money due for refund, and it has no matured deposit and interest accrued thereon remaining unclaimed or unpaid, hence the same is not applicable.
  - (v) Duly complied with the requirements of Section 217 of the Act .
14. The Board of Directors of the company is duly constituted and there was no any appointment of Directors, additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year.
15. The Company has not appointed any Managing Director/ Whole-time Director/ Manager during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The Company was not required to obtain any approval of the Central Govt., Company Law Board, Regional Director, Registrar of Companies or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to provisions of the Act and the Rules made there under during the financial year.
19. The Company has not issued any securities during the financial year.
20. The Company has not bought back any shares during the financial year ended 31<sup>st</sup> March, 2010.



# Prabhat Securities

21. There was no redemption of preference shares / debentures during the financial year.
22. There was no transaction necessitating the Company to keep in abeyance the right to dividend, rights shares and bonus shares pending registration of transfer of shares during the financial year.
23. As informed, the Company has not invited /accepted any deposits including unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The amount borrowed by the company from Directors, members, public, financial institutions, banks, and others during the financial year ending is/are within the borrowing limits of the Company.
25. The Company has not made investments in other Companies during the financial year covered under section 301 of the Companies Act, 1956.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. As informed, no prosecution was initiated against or show cause notice received by the Company and no fines and penalties or any other punishment imposed on the Company during the financial year for the offences under the Act.
32. The Company has not received any security from its employees during the financial year.
33. The Company has not deducted Provident Fund contribution during the financial year which is not applicable

Place : Kanpur  
Date : 16.08.2010

Sd/-

(Rekha Kejriwal)  
Company Secretary  
C.P. No.: 4857

# Prabhat Securities

Annexure 'A'

## REGISTERS AS MAINTAINED

1. Register of Members u/s 150.
2. Books of Accounts u/s 209.
3. Minutes of Meetings u/s 193.
4. Register of Directors, Managing Director, Manager and Secretary u/s 303.
5. Register of Directors' shareholding u/s 307.
6. Register & Returns u/s 163.

## Annexure 'B'

Forms and Returns as filed with the Registrar of Companies, Regional Director, Central Govt. or other authorities during the financial year ended 31<sup>st</sup> March, 2010:

### With the Registrar of Companies:

Sl. No.	Form No./ Return	Filed U/S	For	Date of Filing	Whether Filed Within Prescribed Time	If Delay in Filing Whether Requisite Additional Fee Paid
1.	Balance Sheet Schedule VI	220	31.03.2009	30.10.2009	Yes	-
2.	Compliance Certificate	383A	31.03.2009	30.10.2009	Yes	-
3.	Annual Return Schedule V	159	30.09.2009	20.11.2009	Yes	-
4.	Form-32	303(2)	30.09.2009	30.10.2009	Yes	-



# Prabhat Securities

## ANNEXURE 'C'

The Board of Directors duly met four times respectively on, the dates as stated hereunder:-

<u>S.No.</u>	<u>Date of the Board Meeting</u>
1.	30.06.2009
2.	15.07.2009
3.	02.06.2009
4.	30.09.2009
5.	15.12.2009
6.	08.01.2010
7.	25.03.2010

# Prabhat Securities

## AUDIT REPORT

To

The Members of  
**M/s PRABHAT SECURITIES LIMITED**

1. We have audited the attached Balance Sheet of M/s PRABHAT SECURITIES LIMITED, as at 31<sup>st</sup> March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation; we believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act' 1956 and in terms of the information and explanations given to us and also on the basis of such checks as we considered appropriate, we enclosed in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of these books;
- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

# Prabhat Securities

- iv) In our opinion, the Balance Sheet, Profit & Loss account and Cash Flow Statement subject to Note No. b(5) in Schedule 'M' regarding non provision in diminution in Market/Value/Value of Investment, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act' 1956, to the extent applicable.
- v) On the basis of written representation received from the directors, as on 31<sup>st</sup> March' 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March' 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act' 1956;
- vi) As given in Note No. 4 to the Notes of Account (Schedule 'M'), the balance of Sundry Creditors, Unsecured Loans, Loans & Advances, and other personal accounts are subject to confirmation & reconciliation, if any;
- vii) In our opinion and to the best of our information and according to the explanations given to us, subject to our comment given in Para 2(iv) & 2(vi) above, the said accounts read together with other notes thereon give the information required under the Companies Act' 1956, in the manner so required and present a true and fair view in conformity with accounting principles generally accepted in India:
- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March' 2010.
- b) In the case of the Profit & Loss Account, of the 'profit' of the company for the year ended on that date and
- c) In the case of Cash Flow Statement of the cash flows for the year ended on that date.

For KAMAL GUPTA ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(PANKAJ GUPTA)  
Partner

PLACE: KANPUR  
DATED:16-08-2010

# Prabhat Securities

## ANNEXURE TO AUDITOR'S REPORT:

**RE: PRABHAT SECURITIES LIMITED**

Referred to in paragraph (3) of our Audit Report of even date:

1. a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.  
b) As explained to us, the fixed assets are not physically verified by the management during the year. Further explained to us, No materials discrepancies between the book records and the physical inventory have been noticed as confirmed by the management.  
c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the company during the year and the going concern status of the company is not affected.
2. a) As explained to us, the inventory of shares has been physically verified by the management at regular intervals during the year.  
b) In our opinion and according to the information and explanation given to us, the procedure of physical verification of stock of shares followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory of shares. The discrepancies noticed on physical verification of inventory as compared to book records which have been properly dealt with in the books of account were not material.
3. a) The Company has granted Interest Free Unsecured Loans to Companies, Firms and Other Parties covered in the register maintained U/s 301 of the Companies Act\* 1956. The year end balances of such loans are Rs. 5.12 lacs.  
b) The Company has taken interest free Unsecured Loan from Companies covered in the register maintained U/s 301 of the Companies Act\* 1956 aggregating to Rs. 10.37 Lacs. During the year and the year end balance of such loans taken from such parties was Rs. 4.02 Lacs. In our opinion, the terms & conditions on which such loans taken are not prima – facie prejudicial to the interest of the company.

# Prabhat Securities

4. In our opinion and According to the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory of shares, fixed assets and for the sale of shares. Further, on the basis of our examinations of the books and records of the company, and according to the information and explanations given to us, we have not observed any major weaknesses in internal controls.
5. a) In our opinion and according to the information & explanations given to us, the transactions that need to be entered into the register in pursuance of section 301 of the Companies Act' 1956 have been so entered.  
b) In our opinion and according to the information & explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained U/s 301 of the Act and exceeding the value of Rs. 5.00 Lacs in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information & explanations given to us, the Company has not accepted any deposits from the public.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. As informed to us, the maintenance of cost records U/s 209 (1) (d) of the Companies Act' 1956 has not been prescribed by the Central Govt.
9. a) According to the information and explanations given to us and the records of the company examined by us, In our opinion, the company is generally regular in depositing the undisputed statutory dues including Income Tax, Cess and other material statutory dues as applicable, with the appropriate authorities.  
b) According to the records of the company, there are no undisputed amount payable in respect of Income Tax, Service Tax, Cess and other undisputed statutory dues were outstanding at the year and for a period of more than six months from the date they became payable.  
c) According to the records of the company, there is no disputed statutory dues outstanding of Sales Tax, Custom Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited other than the following: -



# Prabhat Securities

Nature of status	Nature of dues	Amount (Rs.) in Laes	Paid to which the Amount relates	Forums where disputes is pending
Income Tax Act At 1961	Disallowance of Loss Claimed by the Company	4.38	A.Y. 1998-99	Hon'ble High Court, Allahabad

10. The Company has no accumulated losses as at 31.03.2010 and has not incurred cash losses in the financial year ended on that date.
11. According to the records of the company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institutions or banks as at the balance sheet date.
12. According to information and explanations given to us and based on the documents and records produced to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
14. In our Opinion and information & explanations given to us, the Company is dealer or trader in shares, securities, debentures and other investments.
15. In our Opinion and according to the information & explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have not been obtained. Hence this clause is not been applicable.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short term basis which have been use for long term investments or vice-versa.
18. The Company has not made any preferential allotment of shares to parties and companies entered in the register maintained U/s 301 of the Companies Act' 1956, during the year.



# Prabhat Securities

19. The Company has not created securities in respect of debentures as no debentures have been issued by the Company.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing factors practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For KAMAL GUPTA ASSOCIATES  
CHARTERED ACCOUNTANTS

Sd/-  
(PANKAJ GUPTA)  
Partner

PLACE: KANPUR

DATED: 16-08-2010

# Prabhat Securities

## BALANCE SHEET AS AT 31ST MARCH, 2008

PARTICULARS	SCHEDULE	CURRENT YEAR AS AT 31.03.2008	PREVIOUS YEAR AS AT 31.03.2007
<b><u>SOURCES OF FUNDS</u></b>			
A) Share Holders Funds			
Share Capital	A	10000070.00	10000070.00
Reserve & Surplus		734388.17	718927.27
B) <b><u>LOAN FUND</u></b>			
Secured Loan	B	0.00	151701.88
Unsecured Loan	C	1201600.00	451600.00
		<u>11936058.17</u>	<u>11322299.15</u>
<b><u>APPLICATION OF FUNDS</u></b>			
Fixed Assets	D		
Gross Block		2142797.88	2068246.88
Less: Depreciation To The Date		1599009.00	1420690.00
Net Fixed Assets		<u>543788.88</u>	<u>647556.88</u>
Investments	E	3630000.00	3630000.00
<b><u>CURRENT ASSETS AND LOANS &amp; ADVANCES</u></b>			
A) Inventories	F	14730.00	5445.00
B) Cash & Bank Balances	G	12.00	156408.04
C) Loans & Advances	H	7789916.26	6905242.63
		<u>7804658.26</u>	<u>7067096.17</u>
Less: Current Liabilities And Provisions	I	161945.97	135210.90
Net Current Assets		<u>7642712.29</u>	<u>6931885.27</u>
Deferred Tax Assets		119557.00	112857.00
		<u>11936058.17</u>	<u>11322299.15</u>
Accounting Policies And Notes On Account As Per Our Separate Report Of Even Date	M		

For **KAMAL GUPTA ASSOCIATES**  
CHARTERED ACCOUNTANT

For & On behalf of the Board of Directors

Sd/-

Sd/-

Sd/-

(PANKAJ GUPTA)  
PARTNER

(GULJHARI LAL SHARMA)  
CHAIRMAN

(R.K. KUSHWAHA)  
DIRECTOR

Place : Kanpur

Dated : 16.08.2010

# Prabhat Securities

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH' 2008

Particulars	Schedule	Current Year AS AT 31.03.2010	Previous Year AS AT 31.03.2009
<b><u>INCOME</u></b>			
Sale Of Shares		11360062.06	35720043.09
Other Income	J	708653.86	860337.34
Variation In Stock	K	9284.50	(-) 8684.50
		<b>12078000.42</b>	<b>36571695.93</b>
<b><u>EXPENDITURE</u></b>			
Purchase		11236078.97	35605603.61
Administrative Expenses	L	635858.05	486966.16
Depreciation	D	178319.00	230434.00
		<b>12050256.02</b>	<b>36323003.77</b>
Profit/(Loss) Before Tax		27744.40	248692.16
Less : Provision For Income Tax		15250.00	94000.00
Deferred Tax Assets		-6700.00	-16630.00
Provision For Fringe Benefit Tax		0.00	16000.00
Net Profit/(Loss) After Tax		19194.40	155322.16
Less: Adj. for Income Tax		3733.50	258208.79
Profit Brought Forward From Earlier Year		718927.27	821813.90
Balance Carried To Balance Sheet		734388.17	718927.27
Accounting Policies And Notes On Account	M		
Earning Per Share (In Rs.)			
(As Per Schedule No. 'M' Refer Note No. )			
-Basic & Diluted		0.02	0.16
No. of Shares Used In Computing Earning		1000007	1000007
Per Shares Basic And Diluted			
As Per Our Seperate Report Of Even Date			

For **KAMAL GUPTA ASSOCIATES**  
CHARTERED ACCOUNTANT

Sd/-

(PANKAJ GUPTA)  
PARTNER

Sd/-

(GULJHARI LAL SHARMA)  
CHAIRMAN

For & On behalf of the Board of Directors

Sd/-

(R.K. KUSHWAHA)  
DIRECTOR

Place : Kanpur  
Dated : 16.08.2010

# Prabhat Securities

## FUND FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH' 2008

Particulars	Current Year As At 31.03.2010	Previous Year As At 31.03.2009
<b>A) Cash Flow From Operating Activities :-</b>		
Profit After Exceptional Items And Before Tax	24011.00	-9517.00
Depreciation	178319.00	230434.00
Interest Income	-708454.00	-860137.00
Dividend Income	-200.00	-200.00
Operating Profit Before Working Capital Charges @	<u>-506324.00</u>	<u>-639420.00</u>
Adjustment For : Trade And Other Receivables	-884673.00	2347984.00
VARIATION IN INVENTORIES	-9285.00	8685.00
TRADE PAYABLE	11485.00	-715011.00
	<u>-882473.00</u>	<u>1641658.00</u>
Cash Generated From Operational Activities	<u>-1388797.00</u>	<u>1002238.00</u>
<b>B) Cash Flow Investing Activities :-</b>		
Purchase Of Fixed Assets	-74551.00	0.00
Interest Received	708454.00	860137.00
Dividend Received	200.00	200.00
Net Cash Flow From/(Used) Investing Activities	<u>634103.00</u>	<u>860337.00</u>
<b>C) Cash Flow From Financing Activities :-</b>		
Proceeds From Long Term Borrowing	-151702.00	-240413.00
Net Proceed From Short Term Borrowing	750000.00	-1772355.00
Net Cash Flow From/(Used) In Financing Activities	<u>598298.00</u>	<u>916865.43</u>
Income/(Decrease) In Cash And Cash Equivalents	<u>-156396.00</u>	<u>2779440.43</u>
CASH AND CASH EQUIVALANTS AT 1st APRIL 2009	156408.00	306601.00
CASH AND CASH EQUIVALANTS AT 31st MARCH 2010	12.00	156408.00

For & On behalf of the Board of Directors

Sd/-

(GULJHARI LAL SHARMA)  
CHAIRMAN

Sd/-

(R.K. KUSHWAHA)  
DIRECTOR

# Prabhat Securities

## SCHEDULES TO & FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

PARTICULARS	CURRENT YEAR AS AT 31.03.2010	PREVIOUS YEAR AS AT 31.03.2009
<b>SCHEDULE 'A' SHARE CAPITAL :-</b>		
Authorised Share Capital 5500000 Equity Share Of Rs. 10/- Each	55000000.00	55000000.00
<b>ISSUED, SUBSCRIBED, CALLEDUP &amp; PAID-UP CAPITAL :-</b>		
1000007 Equity Shares Of Rs. 10/- Each Fully Paidup	10000070.00	10000070.00
	<u>10000070.00</u>	<u>10000070.00</u>
<b>SCHEDULE 'B' SECURED LOANS :-</b>		
H.D.F.C. (Car Loan)	0.00	151701.88
	<u>0.00</u>	<u>151701.88</u>
<b>SECURED 'C' UNSECURED LOANS :-</b>		
From A Body Corporate	1201600.00	541600.00
From Directors	0.00	0.00
	<u>1201600.00</u>	<u>451600.00</u>
<b>SCHEDULE 'E' INVESTMENT :-</b>		
1) Investment In Quoted Shares (At Cost) (Market Value Rs. Nil)	505000.00	505000.00
2) Investment In Unquoted Shares (At Cost)	3125000.00	3125000.00
	<u>3630000.00</u>	<u>3630000.00</u>
<b>SCHEDULE 'F' INVENTORIES :-</b>		
Stock Of Shares (As Taken Valued & Certified By Directors) Shares (At Lower Of Cost Or Market Value)	14730.00	5445.50
	<u>14730.00</u>	<u>5445.50</u>

For & On behalf of the Board of Directors

Sd/-

Sd/-

(GULJHARI LAL SHARMA)  
CHAIRMAN

(R.K. KUSHWAHA)  
DIRECTOR

# Prabhat Securities

SCHEDULE ' D' FOXED ASSETS AS ON 31<sup>ST</sup> MARCH, 2008

Block	Rate of Dep.	Gross Block				Depreciation			Net Block	
		Particulars	Cost as at 01.04.07	Addition during the Period	Sale During The year	Total as at 31.03.08	Upto 31.03.07	During the Year	Total	W.D.V. as on 31.03.08
Air Conditioner	13.91%	28500.00	29600.00	-	58000.00	26553.00	3452.00	30005.00	27995.00	1947.00
Computer	40%	164100.00	-	-	164100.00	145015.00	7834.00	152849.00	11451.00	19085.00
Car	25.89%	1856146.88	-	-	1856146.88	1237500.00	160166.00	1397668.00	458478.88	618646.88
EPBAX	13.91%	19500.00	-	-	19500.00	11822.00	1096.00	12718.00	6782.00	7878.00
Booster	13.91%	0.00	45051.00	-	45051.00	0.00	5969.00	5969.00	39082.00	0.00
Total		2068246.88	74551.00	-	2142797.88	1420890.00	178319.00	1599009.00	643788.88	647558.88

For & On behalf of the Board of Directors

Sd/-

Sd/-

(GULJHARI LAL SHARMA)  
CHAIRMAN

(R.K. KUSHWAHA)  
DIRECTOR



# Prabhat Securities

## SCHEDULE 'G' CASH AND BANK BALANCE AS ON 31ST MARCH 2008

PARTICULARS	Current Year As At 31.03.2010	Previous Year As At 31.03.2009
A) CASH IN HAND	12.00	64710.00
B) BALANCE WITH SCHEDULED BANK IN CURRENT A/c WITH :-		
Punjab National Bank, Kanpur	0.00	1230.01
INDUSIND BANK	0.00	3582.17
HDFC BANK	0.00	86885.86
	<u>12.00</u>	<u>156408.4</u>

## SCHEDULE 'H' LOANS & ADVANCES :-

(Unsecured Considered Good)

Loans	7682912.04	6607967.04
Prepaid Insurance	4763.00	8576.00
Prabhat Financial Service Ltd. (for Share)	14.22	1616.00
STT NSE & BSE A/c	0.00	15861.50
Interest Receivable	47916.00	151730.00
<b>INCOME TAX :-</b>		
TDS (A.Y.2009-10)	0.00	119492.00
Tax Deducted At Source (A.Y.2010-11)	54311.00	0.00
	<u>7789916.26</u>	<u>6905242.63</u>

## SCHEDULE 'I' CURRENT LIABILITIES & PROVISIONS :-

### A) CURRENT LIABILITIES :-

H.D.F.C. Book Overdraft	12386.07	0.00
Outstanding Liabilities	134309.90	25210.90
	<u>146695.97</u>	<u>25210.90</u>

### B) PROVISIONS :-

Provision For Income Tax (A. Y. 2010 - 2011)	15250.00	0.00
Provision For Income Tax (A. Y. 2009 - 2010)	0.00	94000.00
Provision For Fringe Benefit Tax (A.Y. 2009 - 2010)	0.00	16000.00
	<u>161945.97</u>	<u>135210.90</u>

For & On behalf of the Board of Directors

Sd/-  
(GULJHARI LAL SHARMA)  
CHAIRMAN

Sd/-  
(R.K. KUSHWAHA)  
DIRECTOR

# Prabhat Securities

## SCHEDULE 'J' OTHER INCOME AS ON 31ST MARCH' 2008

Particulars	Current Year Ended 31.03.2008	Previous Year Ended 31.03.2007
Dividend On Shares	200.00	200.00
Interest On Loan	702694.00	860137.34
Intt. on Income Tax Refund	3650.00	0.00
Misc. Income	1971.19	0.00
Round Off	138.67	0.00
	<b>708653.86</b>	<b>860337.34</b>

## SCHEDULE 'K' VARIATION IN STOCKS :-

Opening Stock Of Shares	5445.50	14130
Closing Stock In Shares	14730.00	5445
Increase/ (Decrease)	<b>9284.50</b>	<b>-8684.50</b>

## SCHEDULE 'L' ADMINISTRATIVE & SELLING EXPENSES :-

Audit Fees	13483.00	13483.00
Bank Charges	2390.66	3505.81
Car Repairing & Maintenance	0.00	24129.00
Conveyance	3521.00	2380.49
D.P. Charges	0.00	718.91
Director Meeting Fees	12000.00	15000.00
Director's Remuneration	120000.00	15000.00
Donation	31000.00	0.00
Electricity Expenses	27884.00	31269.00
Income Tax Filling Charges	0.00	4000.00
Insurance	12442.00	28008.00
Interest On Vehicle Loan	6533.12	28387.28
Listing Fee	9000.00	9000.00
Miscellaneous Expenses	750.00	1150.00
Printing Stationery	1379.00	2807.00
Professional Charges	3225.00	4500.00
Rates & Taxes	2000.00	2000.00
Remuneration To Employees	309500.00	219200.00
Rent	60000.00	60000.00
Repairs & Maintenance (Net)	4700.00	1365.00
Round Off	0.00	1.49
Telephone	14050.27	17061.18
Travelling Expenses & Conveyance	2000.00	4000.00
	<b>635858.05</b>	<b>486966.16</b>

For & On behalf of the Board of Directors

Sd/-  
(GULJHARI LAL SHARMA)  
CHAIRMAN

Sd/-  
(R.K. KUSHWAHA)  
DIRECTOR

# Prabhat Securities

ANNEXURE '1' LIST OF LOANS AND ADVANCES AS ON 31ST MARCH' 2010

PARTICULARS	Amount (Rs.)
Arrow Granites Private Limited	2929513.00
Ashish Kumar Saharia	250000.00
Ashish Kumar Bansal	54000.00
Bajaj And Company	1319307.04
Bhawan Shankar Maheshwari	300000.00
Emgee Cable & Communication Ltd.	1000.00
G.L. Sharma	11895.00
Growel Finsec	87804.00
Om Prakash Ashish Kumar	54000.00
Om Prakash Sharma	250000.00
Prabhat Financial Ser. Ltd. (Loan)	200000.00
Prabhat Stock Share Brokers P. Ltd.	50000.00
R. Bihani	1048000.00
Rajesh Kumar Pandey	20000.00
S.P. Kabra (Huf)	123500.00
Sangeeta Pandey	24000.00
Sanjeev Agarwal & Co.	250560.00
Shrish Kumar Saharia	250000.00
Sita Devi Saharia	250000.00
Suraj Karan	209333.00
	<u>7682912.04</u>

## ANNEXURE '2' OUTSTANDING LIABILITIES :-

Auditors Fee	26966.00
Director Remuneration Payable	20000.00
Electricity Payable	1047.00
Rent	15000.00
Salary Payable	70000.00
Telephone Expenses	1296.90
	<u>134309.90</u>

For & On behalf of the Board of Directors

Sd/-  
(GULJHARI LAL SHARMA)  
CHAIRMAN

Sd/-  
(R.K. KUSHWAHA)  
DIRECTOR

# Prabhat Securities

## ANNEXURE '3' UNSECURED LOAN AS ON 31ST MARCH' 2010

PARTICULARS	Amount (Rs.)
(FROM A BODY CORPORATE)	
EXON IMPEX LIMITED	500000.00
PRIYANSH SECURITIES LIMITED	3000000.00
VASUNDHARA CAPITAL & SECURITIES LTD.	450000.00
SUNLIGHT HOLDING	401600.00
	<b>1201600.00</b>

## ANNEXURE '4' OF INVESTMENT :-

QUOTED	M.V.	No. of Shares	Cost	Amount (Rs.)
1. Rajendra Fiscal Services Limited	6.00	5000	10.00	500000.00
2. Sushila Pulp & Papers Limited	1.00	500	10.00	5000.00
		<b>Total</b>		<b>505000.00</b>

  

UNQUOTED	M.V. No. of Shares	Cost	Amount (Rs.)	
1. Santosh Holding Private Limited	-	12500	10.00	125000.00
2. Prabhat Financial Services Limited	-	300000	10.00	3000000.00
		<b>Total</b>		<b>3125000.00</b>
		<b>Grand Total</b>		<b>3630000.00</b>

For & On behalf of the Board of Directors

Sd/-  
(GULJHARI LAL SHARMA)  
CHAIRMAN

Sd/-  
(R.K. KUSHWAHA)  
DIRECTOR

# Prabhat Securities

## ANNEXURE '5' OF INVESTMENT AS ON 31ST MARCH' 2010

QUOTED	MLV.	No. of Shares	Cost	Amount (Rs.)
Purchase of Share				11236078.97
Add: Stamp Duty				0.00
Service Tax				0.00
		<b>Total</b>		<b>11236078.97</b>

For & On behalf of the Board of Directors

Sd/-

(GULJHARI LAL SHARMA)  
CHAIRMAN

Sd/-

(R.K. KUSHWAHA)  
DIRECTOR

# Prabhat Securities

## SCHEDULE 'M' OF SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS AS ON 31ST MARCH 2010

### A) SIGNIFICANT ACCOUNTING POLICIES: -

1. GENERAL: -

These accounts are prepared on the historical cost basis and on the accounting principals on a going concern.

2. REVENUE RECOGNITION: -

Expenses and Income considered payable and receivable respectively have been accounted for on accrual basis. Where the ability to assess the ultimate collection with reasonable certainty is lacking at the time of raising any claim, revenue recognition is postponed to the extent of uncertainty involved.

3. INVESTMENTS: -

Investments are stated at cost. Dividend income from investment is accounted for a declaration basis. In case of diminution in breakup value of unquoted investment, the fall in value as compared to cost has not been provided for.

4. VALUATION OF INVENTORIES: -

Shares are valued at lower of cost or market value.

5. FIXED ASSETS: -

Fixed Assets are stated at cost of acquisition inclusive of freight, duties, taxes and incidental expenses.

6. DEPRECIATION AND AMORTISATION: -

Depreciation is provided on written down value method as per the rates and manner specified in Schedule XIV of the Companies Act' 1956.

7. DEFERRED AND CURRENT TAX: -

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act' 1961 Deferred Tax



# Prabhat Securities

resulting from "Timing Difference" between books and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets is recognized and carried forward only to extent that there is a reasonable certainty that the assets will be realised in future.

8. **MISCELLANEOUS EXPENDITURE: -**

Miscellaneous Expenditure, not written off, amortised over a period of ten years.

9. **TREATMENT OF CONTINGENT LIABILITIES: -**

Contingent liabilities are not provided for and are disclosed by way of Notes.

**B) NOTES ON ACCOUNTS: -**

PARTICULARS	CURRENT YEAR AS AT 31.03.2010	PREVIOUS YEAR AS AT 31.03.2009
1. <b>CONTINGENT LIABILITIES</b>		
(i) Estimated Amount of Contractor Capital Account remaining to be executed and provided for	NIL	NIL
(ii) Other Contingent Liabilities	NIL	NIL
2. <b>DIRECTOR'S REMUNERATION</b>	120000.00	15000.00
3. <b><u>AUDITOR'S REMUNERATION</u></b>		
Audit Fees and Tax Audit Fee	13483.00	13483.00
4. Balances of Sundry Creditors, Unsecured loans, Loans and Advances, State Bank of Indore, Jaipur, Indusind Bank, Punjab National Bank and other personal accounts are subject to confirmation and reconciliation, if any.		
5. Quoted investments of Rs. 505000.00 held by the company are stated at cost. The market value of these investments as at 31 <sup>st</sup> March 2010 stands at Rs. Nil as there is no rate available as on 31 <sup>st</sup> March 2010. This market value has been considered as Market Value as 31 <sup>st</sup> March 2010 these share have not been quoted on that date and no market value of these share were available as at 31.03.2010. Provision for decline in the market value has not been made, since, in the opinion of the company, it is temporary in nature.		

# Prabhat Securities

6. None of the employees has completed the qualifying years of services for entitlement of gratuity and hence no provision has been made for Gratuity.

7. The Deferred Tax Liability as at 31.03.2010 comprises of the following: -

As at 01.04.2010 Current Year charge As at 31<sup>st</sup> March 2010

## Deferred Tax Assets

	As at 01.04.2010	Current Year charge	As at 31 <sup>st</sup> March 2010
Related to Fixed Assets	112857.00	6700.00	119557.00
	<b>112857.00</b>	<b>6700.00</b>	<b>119557.00</b>

8. Earning per share are calculated by dividing net profit/ (loss) for the year attributable to equity share holders by No. of equity shares outstanding during the year. As there is no change in the equity capital during the year, the diluted earning per share is same as the basis earning per share.

9. As the Company's business activity falls with in a single primary business segment viz. dealing in securities. The disclosure requirements of Accounting Standards (AS - 17) "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

10. Additional information pursuant to paragraph 3, 4C & 4D of part II of Schedule VI to the Companies Act' 1956 are furnished here under.

## QUANTITATIVE DETAILS OF SHARES

Particulars	Op. Stock		Purchase		Sales		Closing Stock				
	Qty.	Amount	Cost	Qty.	Amt.	Qty.	Amt.	Qty.	Amt.	Market Value	Cost/ M.V. which ever is lower
Eldeco Housing	200	1630	1630	00	00	00	00	200	1630	28400	1630
Insilco	200	848	2850	00	00	00	00	200	2850	3590	2850
J.K. Synthetics	500	985	1500	00	00	00	00	500	1500	N.A.	1500
J.K. Cements (Bonus)	50	1982.50	8750	50	00	00	00	50	8750	8925	8750
	<b>950</b>	<b>5445.50</b>	<b>14730</b>	<b>50</b>	<b>00</b>	<b>00</b>	<b>00</b>	<b>950</b>	<b>14730</b>	<b>40915</b>	<b>14730</b>

# Prabhat Securities

In addition to above the Company has traded in so many shares of listed company details of which are as per Annexure enclosed.

11. Expenditure in Foreign Currency NIL NIL  
 12. Earning in Foreign Currency NIL NIL  
 13. Related parties disclosures as per Accounting Standard 18:  
 I. List of Related parties, as identified by the management, with whom transaction have taken place and relationship: -

Sl. No.	Name of Parties	Relationship
A)	Prabhat Financial Services Ltd.	Associated Company
B)	Sunlight Holding (P) Ltd.	Associated Company
C)	Prabhat Stock Share Brokers (P) Ltd.	Under the same Management Co.
D)	G.L.S. Stock Share Brokers (P) Ltd.	Under the same Management Co.
E)	Guljhari Lal Sharma	Key Management Personal
F)	Rama Kant Kushwaha	Key Management Personal
G)	Prabhat Fabrics	Associated Firm
H)	Smt. Santosh Devi Sharma	Wife of Key Mgt. Personal
I)		

## II. Transaction During the year: -

S. No.	Nature of Transaction	Associated Company	Under Same Management	KEY Management Personnel	Relative of Key Management Personnel	Other Associated Firm	Total
i)	<u>Loans</u>						
	Taken during the year	-	1037000	-	-	-	1037000
	Repaid during the year	-	103700	-	-	-	1037000
	Balance at the year end	-	-	-	-	-	-
ii)	<u>Loans &amp; Advances</u>						
	Given during the year [inclusive of Intt. (Net)]	-	540000	-	-	-	540000
	Return during the year	-	540000	-	-	-	540000
	Balance at the year end	-	-	-	-	-	-
iii)	<u>Expenditure</u>						
	Payment to & provision for directors	-	-	120000	60000	-	180000
	Purchase	11236078.97	-	-	-	-	11236078.97

14. Figures of the Previous Year have been regrouped/rearranged wherever found necessary.

For & On behalf of the Board of Directors

Place: Kanpur

Date:

Sd/-  
 (GULJHARI LAL SHARMA)  
 CHAIRMAN

Sd/-  
 (R.K. KUSHWAHA)  
 DIRECTOR



# Prabhat Securities

"Satyam" 4/276, Parwati Bagla Road, Kanpur-208 002

## Attendance Slip

I hereby record my presence at the 28<sup>TH</sup> ANNUAL GENERAL MEETING of the Company at "SATYAM" 4/276, Parwati Bagla Road, Kanpur-208 002 at 3.30 p.m. on Tuesday 30<sup>th</sup> September 2010

SIGNATURE OF THE ATTENDING MEMBER /PROXY

### Notes :

1. Shareholder/Proxy holder wishing to attend the meeting must bring this Attendance Slip to the meeting and hand it over at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his copy of the Annual Report for reference at the meeting.

**PRABHAT SECURITIES LIMITED**  
"SATYAM" 4/276, Parwati Bagla Road, Kanpur-208 002

### PROXY

I/We.....  
of.....in the district of.....  
being a Member/Members of the above named Company, hereby appoint.....  
of.....in the district of.....or failing him  
.....of.....in the  
district of.....as my/our proxy to attend and vote for  
me/us and on my/our behalf at the 28<sup>TH</sup> Annual General Meeting of the Company, to be  
held on Tuesday 30<sup>th</sup> September 2010 and at any adjournment thereof.  
Signed this .....day of.....2010.

Reference Folio  
DP ID/BEN ID  
No of Shares held

Signature

After 30  
Paise  
Revenue  
Stamp

To form is to be used <sup>in favour of</sup> ~~against~~ the resolution unless otherwise instructed the proxy will act as he thinks fit.

\* Strike out whichever is not desired.

NOTE : This proxy must be returned so as to reach the Registered office of the Company "SATYAM" 4/276, Parwati Bagla Road, Kanpur-208002; not less than FORTY EIGHT HOURS before the meeting.