

PRABHAT SECURITIES LIMITED

31st ANNUAL REPORT 2012-2013

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CHAIRMAN'S MESSAGE

Dear Members,

I feel privileged to get this opportunity to share with you the performance of your Company for the financial year 2012-13. Your Company has endured to make good profits of Rs. 163.74 thousands and expecting more in future. The national and International economic scene has not been very encouraging. Moreover we faced the most challenging business environments of recent times during the period under review.

As we stayed focussed in making ourselves more robust and less prone to external volatilities the turnover and the profit of the company is improved and your directors are of the view that in the near future our endeavor might return a lot in the favor of the company.

Your Company follows strong corporate value and high quality in service. It has shown good growth in Business and in a manner which is beneficial to all Stakeholders.

Your Company is very keen to identify, and create new opportunities for the growth of business. In this regard, I, along with all Board Members join each and every stakeholder of the Company with great commitment and also look forward to your continued support in the fulfillment of objectives of the Company.

With warm wishes,

-Sd-

(GULJHARI LAL SHARMA)
Director

BOARD OF DIRECTORS

Mr. GULJHARI LAL SHARMA
Mr. RAMA KANT KUSHWAHA
Mr. SANTOSH KUMAR GUPTA

Director/Promoter Group
Executive Director
Non Executive /Independent director

COMPLIANCE OFFICER

RAMA KANT KUSHWAHA

AUDITOR

KAMAL GUPTA ASSOCIATES,
18-B, NAVEEN MARKET,
KANPUR-208001

BANKER

HDFC Civil Lines, Kanpur-01

REGISTERED OFFICE

SATYAM, 4/276,
PARWATI BAGLA ROAD,
KANPUR-02

E-MAIL I.D. & CONTACT NO. FOR INVESTORS

E- Mail ID: prabhatsecutities@gmail.com
Contact No. : 0512-3073793
Fax: 0512:2526347

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC CONDITION

The Indian economy grew at a rate lower than the expected due to various external as well as internal factors which includes sluggish demand conditions in critical sectors such as infrastructure and construction. There are significant expectations from the Government to pursue economic reforms to revive the economy.

BUSINESS OVERVIEW

The Company is of opinion that there is ample opportunity to work and grow even in this so called adverse business environment. It has prepared itself to meet all the future challenges and be focused on its vision.

PERFORMANCE

Keeping in view the adverse market conditions the performance of Company for the financial year 2013-14 has been satisfactory. The Company made a profit of Rs. 163.74 thousands.

OUTLOOK

The company repositioned itself under the prevailing financial condition and had a better over view of the economy as a whole. At macro level it seems that things are going to change with a positive note under the flagship of better policy decisions by the regulators.

RISK AND CONCERNS

The company assesses internal as well as external environment and fully aware of the risk factors. It implements adequate risk management measures.

INTERNAL CONTROL SYSTEM

The Company ensures strict compliance of applicable laws and regulation for financial transactions. Audit committee of the Company oversees the internal audit function and the internal control system..

HUMAN RESOURCE CAPITAL

The company has best employees. It recognizes their effort in the success of company and provides platform for their growth and development.

DISCLAIMER

The statements and projections made in this report may vary depending on the economic conditions, government policies, and other factors beyond the control of the Company. Company is not under any obligation to amend, modify or revise any statement.

REPORT ON CORPORATE GOVERNANCE

Your Company is committed to the adoption of best governance practices and its adherence in the true letter and spirit at all times and envisages the attainment of high level of accountability and transparency in the functioning of the Company.

The Company has complied with the most of the requirements of Corporate Governance as laid down under the applicable Clause 49 of the Listing Agreements with the Stock Exchanges.

1. BOARD OF DIRECTORS

As on the date of publishing of this Report, the Board of the Company comprises of Three Directors having One Director as Non-executive Independent Directors, One Director as Promoter Executive Director and One Director as Executive Director which are as follows:

SL NO.	NAME	DESIGNATION
1	Mr. GULJHARI LAL SHARMA	Executive/Promoter Director
2	Mr. SANTOSH KUMAR GUPTA	Non-Executive/Independent Director
3	Mr. RAMA KANT KUSHWAHA	Executive Director

DIRECTORSHIPS

NAME OF DIRECTOR	CATEGORY OF DIRECTORSHIP	DATE OF APPOINTMENT	NO. OF DIRECTORSHIPS HELD IN OTHER COMPANIES
Mr. GULJHARI LAL SHARMA	Executive Director/Promoter	12/01/1994	04
Mr. SANTOSH KUMAR GUPTA	Non Executive Independent Director	11/06/1992	02
Mr. RAMA KANT KUSHWAHA	Executive Director/Promoter	06/12/2008	02

NUMBER OF BOARD MEETINGS

During the year the Board met 05 times on 30.06.2012, 28.08.2012, 29.09.2012, 31.12.2012, and 30.03.2013. The maximum gap between two successive board meetings did not exceed 4 months.

DIRECTORS ATTENDANCE RECORD

The Composition and category of the Directors on the Board, and their attendance record at the Board meetings and the last Annual General Meeting during the year are as follows:

Name of Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Committees
Mr. GULJHARI LAL SHARMA	Executive Director/Promoter	05	03	Yes	<ul style="list-style-type: none">• Audit Committee - Member• Remuneration Committee - Chairman• shareholders /investors Grievance Committee - Member
Mr. SANTOSH KUMAR GUPTA	Non Executive Independent Director	05	04	Yes	<ul style="list-style-type: none">• shareholders /investors Grievance Committee - Member• Audit Committee - Chairman• Remuneration Committee - Member
Mr. RAMA KANT KUSHWAHA	Executive Director/Promoter	05	05	Yes	<ul style="list-style-type: none">• Audit Committee - Member• Remuneration Committee - Member• shareholders /investors Grievance Committee - Chairman

DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT

As per Section 161 of Companies Act, 2013 corresponding to Section 255 read with Section 256 of the Companies Act, 1956, two third of the Directors should retire by rotation. One third of these Directors are required to retire every year and if eligible they can offer themselves for reappointment. Accordingly Mr. Santosh Kumar Gupta, Director, is liable to retire by rotation and offers himself for reappointment subject to approval of members in general meeting.

2. COMMITTEES OF THE BOARD

The Company has constituted the committee as required under the Listing Agreement at its Board Meeting held on 30 June 2012.

AUDIT COMMITTEE

The Composition of Audit Committee is as mentioned herein below:

Sl No.	Name	Designated position in the committee
1.	SANTOSH KUMAR GUPTA	Chairman
2.	GULJHARI LAL SHARMA	Member
3.	RAMA KANT KUSHWAHA	Member

REMUNARATION COMMITTEE

The composition of remuneration committee is as follows:

SL No.	Name	Designated position in the committee
1.	GULJHARI LAL SHARMA	Chairman
2.	SANTOSH KUMAR GUPTA	Member
3.	RAMA KANT KUSHWAHA	Member

SHAREHOLDER/INVESTOR'S GRIEVANCE COMMITTEE

The Composition of shareholder/investor's grievance committee is as follows:

Sl No.	Name	Designated position in the committee
1	RAMA KANT KUSHWAHA	Chairman
2.	GULJHARI LAL SHARMA	Member
3.	SANTOSH KUMAR GUPTA	Member

DETAILS OF REMUNARATION TO THE DIRECTORS

SL NO	Name and designation	Salary (p.a.)	Other Benefits	Total
1.	GULJHARI LAL SHARMA Director	NIL	NIL	NIL
2.	SANTOSH KUMAR GUPTA Independent Director	NIL	NIL	NIL
3.	RAMA KANT KUSHWAHA Director	Rs. 130000/-	NIL	Rs. 130000/-

Complaints Received/ Resolved:

During the period under review, no complaint was received by the Company which is pending.

3. GENERAL BODY MEETINGS

Details regarding the last three Annual General Meetings are as follows:

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2011-12	29.09.2012	Satyam, 4/276, Parwati Bagla Road, Kanpur-02	11.00 A.M.
2010-11	30.09.2011	Satyam, 4/276, Parwati Bagla Road, Kanpur-02	11:00 A.M.
2009-10	30.09.2010	Satyam, 4/276, Parwati Bagla Road, Kanpur-02	11:00 A.M.

No Extraordinary General Meeting of the Company was held during the year.

DETAILS OF SPECIAL RESOLUTION IN THE LAST THREE AGM

No special resolutions have been passed by the Company during the last 3 Financial Years.

DETAILS OF SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT PROCESS

There is no resolution passed through postal ballot process at the ensuing Annual General Meeting.

4. DISCLOSURES

The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

5. MEANS OF COMMUNICATION

The Company has timely published its quarterly results in the newspapers and the same were also sent to all the Stock Exchanges where the Equity shares of the Company are listed.

6. **GENERAL SHARE HOLDER INFORMATION**

- I. **Annual General Meeting** : Date - September 30th, 2013.
Day - Monday
Time - 01:00 P.M.
Venue - Satyam, 4/276,
Parwati Bagla Road,
Kanpur-02
- II. **Financial Year** : 1st April 2012- 31st March 2013
- III. **Date of book closure** : 23.09.2012 to 30.09.2013
- IV. **Dividend payment date** : N/A

The Directors of the company are of the opinion not to declare dividend for the financial year.

- V. **Listing on Stock Exchange:** The Uttar Pradesh Stock Exchange Association, Kanpur.
- VI. **Market Price:** The Shares of the Company are not being traded on Stock Exchanges. Hence no market price can be determined.
- VII. **Registrar and Transfer Agent:** The Company has its inbuilt Share Registry system for registering share transfers/transmission requests and other shareholders' correspondences. However the Company is also in process of appointing its Registrar & Transfer Agent.
- VIII. **Share Transfer System:** After the appointment of Registrar & Transfer Agent, the Company would provide a common agency for Share Registration and Transfer within due course of time, subject to the validity and completeness of documents in all respect.
- IX. **Distribution of shareholding:**
Shareholding pattern of the Company as on 31st March, 2013.

Category	No. of Shares	Percentage of Holding
Govt(Central & States)	0	0
Govt Companies	0	0
Public financial institution	0	0
Nationalized/Other Institutions/Bank	0	0
Mutual Funds	0	0
Venture Capital	0	0
Foreign Holding	0	0
Bodies Corporate	3000021	30.00
Directors/Relative	4100029	41.00
Others	2900020	29.00
TOTAL	10000070	100

- X. Dematerialization of Shares and Liquidity:
100% of the shares of Company are in physical form.
- XI. Address for correspondence:
Satyam, 4/276, Parwati Bagla Road,
Kanpur-02

7. **CORPORATE SOCIAL RESPONSIBILITY**

Taking into consideration the limited means and resources available to the Company, your management take all the initiative and endeavor towards Corporate Social Responsibility by promoting various schemes of Social welfare.

Further the company is also planning for taking an initiative for implementation of 'Green Initiative' in the Corporate Governance for allowing paperless compliance as per the Circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs and to facilitate its members by providing all the information relating to notices of Shareholders' Meetings, Annual report of the Company by e-mail. In this regard Stakeholders are requested to register their E-mail ID with the Company.

The Company is planning for taking an initiative for implementation of "Green Initiative" in the corporate governance for allowing paperless compliances as per the circular no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry of Corporate affairs and to facilitate its members by providing all the information relating to notices of Shareholder Meetings, Annual Report of the Company by e-mail. In this regard stakeholders are requested to register their e-mail ID with the Company. The Company has taken a various initiatives on promoting social welfare.

on behalf of the Board of Directors

PLACE: KANPUR
DATE : 28 May 2013

Sd/-
(GULJHARI LAL SHARMA)
Director

Sd/-
(RAMA KANT KUSHWAHA)
Director

NOTICE

NOTICE is hereby given that 31st Annual general meeting of the shareholder of the company will be held on 30th September, 2013 at 01:00 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 31st March, 2013 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 Santosh Kumar Gupta who retires by rotation in the ensuing Annual General Meeting and being eligible offers himself for re appointment.
4. To appoint M/s. R.K & Associates, (Company Secretaries) as Secretarial Auditor.

**By order and on Behalf of the Board
FOR: PRABHAT SECURITIES LTD.**

**Sd/-
Gulzari Lal Sharma
DIRECTOR**

**Sd/-
R.K.Kushwaha
DIRECTOR**

**PLACE: - KANPUR
DATE:- 02.09.2013**

NOTES:- 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. A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THEN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

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 2013, which is as under:-

FINANCIAL RESULTS

Financial result of the Company for the year-ended 31.03.2013 shows a Profit of Rs. 240960.41 before Tax as compared to Rs. 229179 in the previous year.

DIVIDEND

Company has not declared dividend during the financial year.

DIRECTORS

Mr. Santosh Kumar Gupta, retires at this Annual General Meeting and being eligible offers himself for re-appointment.

COMPLANCE 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 31st March, 2013, 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.

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.

CORPORATE GOVERNANCES:

As the company is required to comply with clause 49 of the Listing Agreement so the Corporate Governance Report confirming the compliance of conditions of corporate Governance forms part of the Annual Report.

LISTING OF SHARES:

The Company's shares are listed with The Uttar Pradesh Stock Exchange Association, Padam Tower, 14/113, Civil Lines, Kanpur.

RISK AND INTERNAL ADEQUACY:

The company has adequate internal control procedures commensurate with its size and nature of its business. The Board of Directors periodically reviews the audit plans, internal audit reports, adequacy of internal control and mismanagement.

ACKNOWLEDGEMENTS:

Yours Directors acknowledge with thanks for the co-operation and assistance what so ever received from employees, members, banks and govt. Authorities.

on behalf of the Board of Directors

PLACE: KANPUR
DATE : 28 May 2013

Sd/-
(GULJHARI LAL SHARMA)
Director

Sd/-
(RAMA KANT KUSHWAHA)
Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Prabhat Securities Limited

We have examined the companies of conditions of Corporate Government by Prabhat Securities Limited for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us and representations made by the management, we certify that the Company has complied with the condition of Corporate Governance as Stipulated in Clause 49.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kamal Gupta and Associates
Chartered Accountants
SD/-
(CA Pankaj Gupta)
Partner

Place: Kanpur
FRN-00752C
Date: 28.05.2013

R.K. Associates

*Flat No. 304, Ardhakumari Apartment,
117/M/84, Kalyan, Kanpur*

Company Secretaries

*M. ANSARI, 7872332222
E Mail: rekhamptgi@gmail.com*

ANNEXURE TO THE DIRECTORS' REPORT

Compliance Certificate

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 31st March, 2013. 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 5 (Five 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 31st March, 2012 was held on 29.09.2012 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 advanced loan to the amount not exceeding 1397606.00 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.
10. The Company has to 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 to 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 31st March, 2013.
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 : 02.09.2013

R.K & Associates
Prop: Rekha Kejriwal
(Company secretaries)

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 31st March, 2013:

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	31.03.2012	15.01.2013	Yes	-
2.	Compliance Certificate	383A	31.03.2012	27.10.2012	Yes	-

3.	Annual Return Schedule V	159	30.09.2012	27.11.2012	Yes	-
4.	Form 23 B (Appointment of Auditor)		30.03.2012	06.12.2012	Yes	-

ANNEXURE 'C'

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

<u>S.No.</u>	<u>Date of the Board Meeting</u>
1.	30.06.2012
2.	28.08.2012
3.	29.09.2012
4.	31.12.2012
5.	30.03.2012

Independent Auditor's Report

The Members of PRABHAT SECURITIES LIMITED,

Report on the Financial Statements

1) We have audited the accompanying financial statements of M/s PRABHAT SECURITIES LIMITED, which comprises the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2) 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 3(C) of section 211 of the Companies Act, 1956 ("the Act") to the extent applicable. 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

3) 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4) An audit involves performing to obtain audit evidence about the amounts and 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 internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedure 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 management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

a) The company has not made provision in the books of account regarding diminution in market value of investment in compliance with the accounting standards referred to in sub-section 3(c) of section 211 of the Companies Act 1956.

b) The balance of unsecured loans, Sundry Creditors, Loans & Advances and other personal accounts are subject to confirmation and reconciliation, if any.

Qualified Opinion

6) In our opinion and to the best of our information and according to the explanations given to us, because of the significance of matters described except for the effects/possible effects of the matter described in the Basis of Qualified Opinion in Above Paragraphs, the 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:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013

b) in the case of the Profit & Loss Account, of the 'profit' for the year ended on that date; and

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

Based on Other Legal and Regulatory Requirements

7) 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.

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 purpose of our audit.

b. In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examinations of these books.

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

d. except for the effects/possible effects of the matter described in the Basis of Qualified Opinion Paragraph in our opinion, the Balance Sheet, Statement of Profit & Loss, and Cash Flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

e. On the basis of written representations received from the director as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section 274 of the Companies Act, 1956.

FOR KAMAL GUPTA ASSOCIATES
CHARTERED ACCOUNTANTS

CA. PANKAJ GUPTA (MCA 07E367)
PARTNER

PLACE: KANPUR

DATED: 02/07/13

ANNEXURE TO AUDITOR'S REPORT:
RE: PRABHAT SECURITIES LIMITED

Referred to in paragraph (7) 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 material 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. 17.31 Lacs.
b) The Company has taken interest free Unsecured Loan from a person and companies covered in the register maintained U/s 301 of the Companies Act 1956 aggregating to Rs. 9.53 Lacs during the year and the year end balance of such loans taken from such parties was Rs. 0.18 Lacs. In our opinion, the terms & conditions on which such loans taken are not prima - facie prejudicial to the interest of the company.
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 end for a period of more than six months from the date they became payable.



KAMAL GUPTA ASSOCIATES
CHARTERED ACCOUNTANTS

18-B, NAVEEN MARKET,
 KANPUR - 208001
 PHONES: 2319076, 2319893
 FAX: 0512 - 2305542
 E-mail: kg_associates18@rediffmail.com
 Date.....

- c) 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 end for a period of more than six months from the date they became payable.
- d) 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 :-

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (Rs.) (In Laacs.)	PERIOD	THE FORUMS WHERE DISPUTE IS PENDING
Income Tax Act' 1961	Disallowance of Loss Loss claimed by the Co.	4.38	A. Y. 1998 - 99	Hon'ble High Court Allahabad

10. The Company has no accumulated losses as at 31.03.2013 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.
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

CA. PANKAJ GUPTA (MHN/076387)

PLACE: KANPUR

DATED: 02/07/2013



PRABHAT SECURITIES LIMITED
"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR

Balance Sheet as at 31 March, 2013

Particulars		Note No.	As at 31 March, 2013	As at 31 March, 2012
			Rs.	Rs.
A EQUITY AND LIABILITIES				
1 Shareholders' funds				
(a) Share capital	3	10,000,070.00	10,000,070.00	
(b) Reserves and surplus	4	1,168,495.78	1,004,750.37	
		11,168,565.78	11,004,820.37	
2 Share application money pending allotment				
3 Non-current liabilities				
(a) Long-term borrowings	5	-	-	
(b) Deferred tax liabilities (net)	6	-110,756.00	-116,771.00	
		-110,756.00	-116,771.00	
4 Current liabilities				
(a) Short Term Borrowings	7	622011.78	19419877.00	
(b) Trade payables	8	-	-	
(c) Other current liabilities	9	29,002.61	122,400.54	
(d) Short-term provisions	10	71,200.00	70,000.00	
		722,214.39	19,612,277.54	
TOTAL			11,780,024.17	30,500,326.91
B ASSETS				
1 Non-current assets				
(a) Fixed assets				
(i) Tangible assets : Fixed Assets	11	236,218.00	310,674.00	
(ii) Investments	11A	3,630,000.00	3,630,000.00	
(b) Long-term loans and advances	12	-	-	
		3,866,218.00	3,940,674.00	
2 Current assets				
(a) Inventories	13	14,480.00	12,875.00	
(b) Trade receivables	14	-	-	
(c) Cash and cash equivalents	15	20,843.24	47,071.69	
(d) Short-term loans and advances	16	7,876,482.93	26,499,706.22	
		7,913,806.17	26,559,652.91	
TOTAL			11,780,024.17	30,500,326.91

Accompanying notes are an integral part of the financial statements

In terms of our report of even date attached

FOR KAMAL GUPTA ASSOCIATES
CHARTERED ACCOUNTANTS

FRN 000752C

(CA PANKAJ GUPTA)
 PARTNER

For and on behalf of the Board of Directors

(Signature)

(CHAIRMAN)

(Signature)

(DIRECTOR)

PLACE : KANPUR

Date: 21/03/2013

PRABHAT SECURITIES LIMITED
"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR

Statement of Profit and Loss for the year ended 31 March, 2013

Particulars		Note No.	For the year ended 31 March, 2013	For the year ended 31 March, 2012
			Rs.	Rs.
A	CONTINUING OPERATIONS			
1	Revenue from operations (gross) Less: Service Tax on Sales Revenue from operations (net)	17	4,871,555.39 686.87 4,870,868.52	-
2	Expenses (a) Cost of Shares Sold (b) Employee benefits expense (c) Changes in Inventory (d) Other expenses	18 19 20 21	4,919,479.94 344,500.00 -1,605.00 227,980.72	- 307,000.00 -
	Total		5,490,355.86	571,985.77
3	Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)		-619,487.14	-571,985.77
4	Finance costs	22	627,215.45	50,123.30
5	Depreciation and amortisation expense	11	74,456.00	99,561.00
6	Other income	23	1,562,099.00	850,849.80
7	Profit / (Loss) before exceptional and extraordinary items and tax (3-4-5+6)		240,960.41	229,179.73
8	Exceptional items		-	-
9	Profit / (Loss) before extraordinary items and tax (7 + 8)		240,960.41	229,179.73
10	Extraordinary items		-	-
11	Profit / (Loss) before tax (9 + 10)		240,960.41	229,179.73
12	Tax expense: (a) Current tax expense for current year (b) Current tax expense relating to prior years (c) Net current tax expense (d) Deferred tax		71,200.00 - 6,015.00 77,215.00	70,000.00 - 3,487.80 73,487.80
13	Profit / (Loss) from continuing operations (11 ± 12)		163,745.41	155,692.73
14	Profit / (Loss) for the year		163,745.41	155,692.73
15	Earnings per share (of Rs.10/- each): Basic (i) Net Profit From Continuing operations (ii) Weighted No. of Equity Shares (No.) (iii) Earning Per Share From Continuing Operations (iii)	-4,455,053.52	163,745.41 1000007 0.16	155,692.73 1000007 0.16
Accompanying notes are an integral part of the financial statements				

in terms of our report of even date attached

FOR KAMAL GUPTA ASSOCIATES

Chartered Accountants

FRN 000759C

(CA PANKAJ GUPTA)

Partner

PLACE: KANPUR

Date: 01/09/2013

For and on behalf of the Board of Directors

Anil Kumar Lal Sharma

CHAIRMAN

Rishu Kumar

DIRECTOR

PRABHAT SECURITIES LIMITED
 "SATYAM", 4/275, PARWATI BAGLA ROAD, KANPUR

FUND FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	FOR THE YEAR ENDED 31.03.2013	FOR THE YEAR ENDED 31.03.2012
A) CASH FLOW FROM OPERATING ACTIVITIES:		
PROFIT AFTER EXCEPTIONAL ITEMS AND BEFORE TAX	240960.41	230079.73
DEPRECIATION	74456.00	99561.00
INCOME TAX	0.00	-5000.00
INTEREST INCOME	-1561899.00	-950649.80
DIVIDEND	-200.00	-200.00
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES	<u>-1246682.59</u>	<u>-626209.07</u>
ADJUSTMENT FOR: TRADE & OTHER RECEIVABLES	18621223.29	-19568953.00
VARIATION IN INVENTORIES	-1605.00	0.00
TRADE PAYABLE	-163397.93	106556.54
	<u>18456220.36</u>	<u>-19562396.46</u>
CASH GENERATED FROM OPERATIONAL ACTIVITIES	<u>17209537.77</u>	<u>-20188605.53</u>
B) CASH FLOW FROM INVESTING ACTIVITIES		
INTEREST RECEIVED	1561899.00	950649.80
DIVIDEND RECEIVED	200.00	200.00
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>1562099.00</u>	<u>950849.80</u>
C) CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM LONG TERM BORROWINGS	0.00	0.00
NET PROCEEDS FROM SHORT TERM BORROWINGS	-18797865.22	19094877.00
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>-18797865.22</u>	<u>19094877.00</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVILANTS	<u>-26228.45</u>	<u>-142878.73</u>
CASH AND CASH EQUIVALANTS AT 1st APRIL 2012	47071.69	189950.42
CASH AND CASH EQUIVALANTS AT 31st MARCH 2013	20843.24	47071.69



FOR AND ON BEHALF OF BOARD OF DIRECTORS

Anil Kumar Lal Sharma

CHAIRMAN

Rakesh Kumar

DIRECTOR

Notes forming part of the financial statements

Note	Particulars
1	<p>Corporate information The Company is doing working as Non-Banking Financial Company (NBFC) and the Company has on interest income. The registered office of the company is situated at "Sahyam", 4/276, Parwati Bagla Road, Kanpur.</p>
2	<p>Significant accounting policies The Company is a Small and Medium Sized Company as defined in the General instructions in respect of Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.</p>
2.1	<p>Basic of accounting and preparation of financial statements The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.</p>
2.2	<p>Adoption of revised Schedule VI of the Companies Act, 1956 For the year ended 31st March, 2013, the revised Schedule VI, notified under the Companies Act, 1956 has become applicable to the Company for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement of principles followed for preparation of its financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.</p>
2.3	<p>Use of estimates The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.</p>
2.4	<p>Inventories As the company is a NBFC and has only Shares as Stock in Trade. The same has been valued at lower of cost or market Price.</p>
2.5	<p>Depreciation and amortisation Depreciation has been provided on the written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. As the manufacturing activities have been suspended, but due to efflux of time, Depreciation has been charged.</p>
2.6	<p>Revenue recognition Interest income has been recognised on the basis accrual of interest.</p>
	<p>Tangible fixed assets</p>
2.7	<p>Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.</p>
	<p>Earnings per share</p>
2.8	<p>Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.</p>
	<p>Taxes on income</p>
2.9	<p>Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.</p>
	<p>Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that observable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such an offset. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.</p>
	<p>Impairment of assets</p>
3.0	<p>An impairment loss is recognized wherever the carrying amount of fixed assets exceeds the recoverable amount i.e. the higher of the assets' net selling price and value in use.</p>
	<p>Provisions and contingencies</p>
3.01	<p>A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.</p>



Note 3 Share capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised Equity shares of Rs. 10 each with voting rights	5500000	55,000,000.00	5500000	55,000,000.00
(b) Issued, Subscribed and Fully Paid up Equity shares of Rs. 10 each with voting rights	1000007	10,000,070.00	1000007	10,000,070.00
Total	1000007	10000070.00	1000007	10000070.00

Refer Notes (i), (ii) & (iii) below

Particulars
(i) Terms/rights attached to equity shares
The company has only one class of equity shares with a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.
In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the company, after meeting all liabilities and distribution of all preferential amounts, in proportion to their shareholding.

(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2013			
- Number of shares	1,000,007	-	1,000,007
- Amount (Rs.)	10,000,070.00	-	10,000,070.00
Year ended 31 March, 2012			
- Number of shares	1000007	0	1,000,007
- Amount (Rs.)	10,000,070.00	-	10,000,070.00

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
KALI CHARAN SHARMA	50500	5.05	50500	5.05
VIMAL KUMAR SHARMA	100000	9.99	100000	9.99
SANTOSH HOLDING PRIVATE LIMITED	100000	9.99	100000	9.99
PRABHAT FUND & HOLDING LTD	100000	9.99	100000	9.99
PRABHAT FINANCIAL SERVICES LTD.	100000	9.99	100000	9.99

Note 4 Reserves and surplus

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,004,750.37	849,057.64
Add: Profit / (Loss) for the year	163,745.41	155,892.73
Closing balance	1,168,495.78	1,004,750.37
Total:	1,168,495.78	1,004,750.37

Note 5 Long-term borrowings

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Term loans		
From banks/ FI		
Secured -		
From other parties	-	-
Unsecured	-	-
Total	-	-



Notes forming part of the financial statements
 Note 5 Long-term borrowings (contd.)

Particulars					
(i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings.					
Particulars	Terms of repayment and security	As at 31 March, 2013		As at 31 March, 2012	
		Secured	Unsecured	Secured	Unsecured
		Rs.	Rs.	Rs.	Rs.
Term loans from banks/FIs		0.00			
Total - Term loans from banks/FIs		0.00	0.00	0.00	0.00
Term loans from other parties, Unsecured Loans:					
From Body Corporate		0.00	0.00		0.00
Total - Term loans from other parties		-	-	-	-

(ii) The Company has defaulted in repayment of loans and interest in respect of the following:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Period of default	Rs.	Period of default	Rs.
	Term loans from other Parties			
Principal		-		-
Interest		-		-

For PRABHAT SECURITIES LTD.
Aulghar Lal Sharma
 CHAIRMAN



For PRABHAT SECURITIES LIMITED
Rishabh
 DIRECTOR

Notes forming part of the financial statements

Note 6 Disclosures under Accounting Standards

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
Opening Deferred tax Liability/(Asset)		
Tax effect of items constituting deferred tax liability	-116,771.00	(120,258.00)
On diff. between dep. As per Co.'s Act and as per Income Tax Act/		
On Absorption of Unabsorbed Depreciation during the year and Due to Fixed Assets	6,015.00	3,487.00
Others	-	-
Tax effect of items constituting deferred tax liability	6,015.00	3,487.00
Tax effect of items constituting deferred tax assets		
Disallowances under Section 43B of the Income Tax Act, 1961	-	-
On difference between book balance and tax balance of fixed assets	-	-
Tax effect of items constituting deferred tax assets	-	-
Closing deferred tax liability/(Asset)	(110,756.00)	(116,771.00)

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non cancellable customer orders received by the Company.

For PRABHAT SECURITIES LIMITED
Aulghani Lal Shams
 CHARTERED ACCOUNTANTS



For PRABHAT SECURITIES LIMITED
Rohit
 DIRECTOR

PRABHAT SECURITIES LIMITED
"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR
 Notes forming part of the financial statements

Note 7 of Short-term borrowings

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Secured	Secured
i) Loan Repayable on demand from Banks		
ii) Other Loan and Advances : From Body Corporates From Chairman	604,011.78 18,000.00	19,419,877.00
Total	622,011.78	19,419,877.00

Note 8 Trade payables

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
Trade payables:		
Acceptances	-	-
Other than Acceptances : Sundry Creditors for goods	-	-
Total	-	-

Note 9 Other current liabilities

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Current maturities of long-term debt (Refer Note (i) below)	-	-
(b) Bank Overdraft	-	-
(c) Security Received	-	-
(d) Other payables	-	-
(i) Deposit from Employees	-	-
(ii) Advances from customers	-	-
(iii) Other Sundry Liabilities	-	-
Audit Fee Payable	22,472.00	22,472.00
Electricity Payable	3,853.00	2,184.00
Telephone Expenses	889.00	882.00
Rent Payable	-	96,000.00
D.P. Charges	2,008.61	862.54
Total	29,002.61	122,400.54

Note (i): Current maturities of long-term debt (Refer Notes (i) and (ii) in Note 5 - Long-term borrowings for details of

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Term loans		
From banks / FIs		
Secured		
From Other Parties		
Unsecured		
Total	-	-

Note 10 Short-term provisions

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Provision for tax : for the A.Y. 2013-14	71,200.00	-
(b) Provision for tax : for the A.Y. 2012-13	-	70,000.00
Total	71,200.00	70,000.00

For PRABHAT SECURITIES LIMITED
Anil Kumar
 CHAIRMAN



For PRABHAT SECURITIES LIMITED
Kishore
 DIRECTOR

S. No.	Tangible assets	Gross block				Accumulated depreciation and impairment				Net block	
		Balance as at 1 April, 2012	Additions	Other adjustments	Balance as at 31 March, 2013	Balance as at 1 April, 2012	Depreciation / amortisation expenses for the year	Adjustments	Balance as at 31 March, 2013	Balance as at 31 March, 2013	Balance as at 31 March, 2012
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	DEPRECIATION RATE@13.81%										
1	AIR CONDITIONER	58,000.00	-	-	58,000.00	37,251.00	2,898.00	-	40,153.00	17,963.00	29,740.00
2	EPABX	19,500.00	-	-	19,500.00	14,473.00	689.00	-	15,172.00	4,328.00	5,027.00
3	SCOOTER	45,051.00	-	-	45,051.00	19,065.00	4,339.00	-	23,404.00	24,937.00	28,908.00
	DEPRECIATION RATE@26.89%										
4	VEHICLE (CARS)	1,856,146.88	-	-	1,856,146.88	1,604,337.88	65,100.00	-	1,669,533.88	1,66,610.00	281,808.00
	DEPRECIATION RATE@40%										
5	COMPUTER	164,100.00	-	-	164,100.00	159,977.00	1,945.00	-	161,922.00	2,474.00	4,123.00
	Total	2,142,797.88	-	-	2,142,797.88	1,832,123.88	74,458.00	-	1,906,579.88	236,218.00	310,674.00
	Previous year	2,142,797.88	-	-	2,142,797.88	1,732,563.88	89,561.00	-	1,822,124.88	310,674.00	419,235.00



For PRABHAT SECURITIES LIMITED
Rishu
 10/10/2013

For PRABHAT SECURITIES LTD.
Rishu Lalwani
 CHAIRMAN

Note 11A INVESTMENTS

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
QUOTED SHARES:		
50000 EQ. SHARES OF RAJENDRA FISCAL SERVICES LTD.	500000.00	500000.00
500 EQ. SHARES OF SUSHILA PULP & PAPERS LIMITED	5000.00	5000.00
UNQUOTED SHARES		
12500 EQ. SHARES OF SANTOSH HOLDINGS PVT. LTD.	125000.00	125000.00
300000 EQ. SHARES OF PRABHAT FINANCIAL SERV. LTD.	3000000.00	3000000.00
	3630000.00	3630000.00

Note 12 Long-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Security deposits With : Unsecured, considered good :		
(b) Due from Director	-	-
	-	-

Note: Long-term loans and advances include amounts due from:

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
Directors	0.00	0.00
Other officers of the Company	Nil	Nil
Firms in which any director is a partner	Nil	Nil
Private companies in which any director is a director or member	Nil	Nil
	-	-

Note 13 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Shares in Trade	14,480.00	12,875.00
Total	14,480.00	12,875.00

Note 14 Trade receivables

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(i) Trade receivables outstanding for a period exceeding six months from the date they were due for payment Unsecured, considered good	-	-
(ii) Other Trade receivables Unsecured, considered good	-	-
Total	-	-

Note 15 Cash and cash equivalents

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Cash on hand:	2,852.00	1,344.00
(b) Balances with banks (i) In current accounts: with HDFC Bank	17,991.24	45,727.69
Total	20,843.24	47,071.69

For PRABHAT SECURITIES LTD.

Anil Kumar Lal Sharma
 2013/13/2013



For PRABHAT SECURITIES LIMITED

Rishu Waha

PRABHAT SECURITIES LIMITED
"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR

Notes forming part of the financial statements

Note 16 Short-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
(a) Loans and advances to related parties		
Unsecured, considered good		
Prabhat Financial Services Ltd. (For Shares)		14.22
Prabhat Financial Services Ltd.	1,250,837.00	862,714.00
Interest Receivable	146,769.00	113,123.00
	1,397,606.00	975,851.22
(b) Prepaid expenses - Unsecured, considered good		
Prepaid Insurance	2,912.00	3,579.00
	2,912.00	3,579.00
(d) Balances with government authorities		
Unsecured, considered good		
Advance Income Tax (2013-14)	35,000.00	
Income Tax Refund Receivables	3,813.00	
STT NSE & BSE	2,853.93	
Tax Deducted at Sources	145,491.00	73,813.00
(g) Others (specify nature)		
Unsecured, considered good		
Loan to Others:		
Arrow Granites Private Limited	-	-
Bhawani Shankar Maheshwari	2,418,807.00	3,538,031.00
Prabhat Commodity Brokers (p) Ltd	-	200,000.00
R. Bihani	500,000.00	
S.P. Kabra HUF	-	967,380.00
Ratan Lal Somani	-	123,500.00
Rohit Kumar Saxena	-	500,000.00
Mahesh Kumar Makhija	-	500,000.00
Neelam Jain	109,000.00	
Rodic Consultants P. Ltd.	102,500.00	100,000.00
Shri Mehndipur Balaji Traders P. Ltd.	718,126.00	15,194,400.00
Suraj Narain Ajmera	140,004.00	4,010,652.00
Sunil Malani	200,000.00	312,500.00
Sanjeev Agarwal & Co.	2,102,370.00	
	6,290,807.00	25,446,463.00
Total	7,878,482.93	26,499,706.22

Note 16 Short-term loans and advances (contd.)

Particulars		
Note: Short-term loans and advances include amounts due from:		
Particulars	As at 31 March, 2013	As at 31 March, 2012
	Rs.	Rs.
Directors	-	0.00

For PRABHAT SECURITIES LTD.

Gulshan Lal Sharma

CHAIRMAN



Kushwaha

Notes forming part of the financial statements

Note 17 Revenue from operations

Particulars		For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
(a)	Sale of products (Refer Note (i) below)	4,871,555.39	-
(b)	Sale of services (Refer Note (ii) below)	-	-
(c)	Less: Service Tax on Sales	4,871,555.39	-
Total		666.87	-
		4,870,888.52	-

Note	Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
(i)	Sale of products comprises: Equity & Shares	4,871,555.39	-
Total - Sale of Products		4,871,555.39	-
(ii)	Sale of services comprises:	0	0
Total - Sale of services		-	-

Note 18 Cost of materials consumed

Particulars		For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
Opening stock: Equity & Shares		-	-
Add: Purchases: Equity & Shares		4,919,398.00	-
Add: Service tax on Purchase		83.94	-
Total		4,919,479.94	-
Less: Closing stock: Equity Shares		-	-
Cost of Shares consumed/Sold		4,919,479.94	-
Shares consumed/Sold comprises: Equity Shares		4,919,479.94	-
Total		4,919,479.94	-

Note 19 Employee benefits expense

Particulars		For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
Salary to Employees		188,500.00	177,000.00
Salary to Directors		156,000.00	130,000.00
Total		344,500.00	307,000.00

Note 20 Changes in Inventories of Finished Goods, WIP and Stock In Trade

Particulars		For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
Opening Stock of Shares		12875.00	12875.00
		12875.00	12875.00
Closing Stock of Shares		14480.00	12875.00
		14480.00	12875.00
Changes in Inventories		1605.00	0.00

PRABHAT SECURITIES LIMITED
 "SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR
 Notes forming part of the financial statements

Note 21 Other expenses

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
Conveyance Charges	3,900.00	-
Director Meeting Fees	-	12,000.00
D.P. Charges	-	862.54
Electricity Expenses	1,148.07	-
Income Tax Return Filing Fee	54,366.00	72,885.00
Insurance	-	4,000.00
Listing Fee	7,331.00	3,468.00
Misc. Expenses	9,000.00	9,000.00
Printing & Stationery	1,950.00	1,850.00
Professional Charges	3,000.00	1,450.00
Rates & Taxes	17,825.00	15,075.00
Rent	500.00	1,500.00
Repair & Maintenance	96,000.00	96,000.00
Round Off	2,278.00	-
Stamp Duty	0.08	0.80
Telephone	349.00	-
Transaction Charges	7,664.00	7,856.43
Traveling & Conveyance	327.59	-
Payments to auditors (Refer Note (i) below)	-	7,920.00
Prior period items (net) (Refer Note (ii) below)	22,472.00	22,472.00
	-148.00	8,646.00
Total	227,980.72	204,985.77

Notes:

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
(i) Payments to the auditors comprises		
As auditors - statutory audit		
For taxation matters	22,472.00	22,472.00
For Other Services	-	-
Total	22,472.00	22,472.00
(ii) Details of Prior period items (net)		
Prior period expenses		7,746.00
Adjustment for Income Tax of Earlier Year	-148.00	900.00
Total	-148.00	8,646.00

For PRABHAT SECURITIES LTD.

Anil Kumar Dalhousie

CHAIRMAN



For PRABHAT SECURITIES LIMITED

Rishabh
DIRECTOR

PRABHAT SECURITIES LIMITED
 "SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR

Notes forming part of the financial statements

Note 22 Finance costs

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
(a) Interest expense on:		
(i) Borrowings From Banks		
(ii) Others		
Interest paid	617,808.00	49,863.00
Interest paid on TDS	9,257.00	150.00
(b) Other borrowing costs		
Bank Charges and Commission	140.45	110.30
Total	627,215.45	50,123.30

Note 23 Other income

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	Rs.	Rs.
Dividend	200.00	200.00
Interest on Loan	1561899.00	950649.80
Total	1,562,099.00	950,849.80

For PRABHAT SECURITIES LTD.

Gulshan Lal Sharma

CHAIRMAN



For PRABHAT SECURITIES LIMITED

Rishabh
DIRECTOR

Notes forming part of the financial statements

Note 24 Disclosures under Accounting Standards

Particulars

Related party transactions

Details of related parties:

Description of relationship	Names of related parties
Key Management Personnel (KMP)	1) Mr. Gulshan Lal Sharma 2) Rama Kant Kushwaha
Relatives of KMP	Smt. Santosh Sharma (Wife of KMP)
Company in which KMP can exercise significant influence	1) Prabhat Financial Services Ltd. 2) Prabhat Stock Share Brokers P. Ltd. 3) GLS Stock Share Brokers P. Ltd. 4) Prabhat commodity Brokers (P) Ltd.

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2013 and balances outstanding as at 31 March, 2013:

	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Remuneration Paid	156000.00			156000.00
Rent paid		96000.00		96000.00
Purchase Made			4919480.00	4919480.00
Sales Made			4870889.00	4870889.00
Balances outstanding at the end of the year Dr			1750837.00	1750837.00
Loans and advances Given			2927545.00	2927545.00
Trade payables : Security Received				NIL
Borrowings: Loan Taken	18000.00		935000.00	953000.00

Note: Figures in bracket relates to the previous year

For PRABHAT SECURITIES LTD.

Gulshan Lal Sharma

CHAIRMAN



For PRABHAT SECURITIES LIMITED

Ramesh Chandra
DIRECTOR

Notes forming part of the financial statements

Note 26 Additional information to the financial statements

Note	Particulars	As at 31 March, 2013 Rs.	As at 31 March, 2012 Rs.
23.1	Contingent liabilities and commitments (to the extent not provided for)		
(i)	Contingent liabilities		
	(a) Claims against the Company not acknowledged as debt	Nil	Nil
	(b) Guarantees	Nil	Nil
	(c) Other money for which the Company is contingently liable	Nil	Nil
(ii)	Commitments		
	(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Tangible assets	Nil	Nil
	Intangible assets	Nil	Nil
	(b) Uncalled liability on shares and other investments partly paid	Nil	Nil
	(c) Other commitments	Nil	Nil
23.2	Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 The company has not received information from vendors regarding their status under the Micro, Small & Medium Enterprises Development Act, 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.		
23.3	Value of imports calculated on CIF basis :	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
	Raw materials	Nil	Nil
	Components	Nil	Nil
	Spare parts	Nil	Nil
	Capital goods	Nil	Nil
23.4	Expenditure in foreign currency :	For the year ended 31 March, 2013	For the year ended 31 March, 2012
		Rs.	Rs.
	Royalty	Nil	Nil
	Know-how	Nil	Nil
	Professional and consultation fees	Nil	Nil
	Interest	Nil	Nil
	Other matters	Nil	Nil
23.5	Details of consumption of imported and indigenous items	For the year ended 31 March, 2013	
		Rs.	%
	Imported (Rs. in Lacs)		
	Raw materials	(Nil)	(Nil)
		(Nil)	(Nil)
	Components	Nil	NA
		(Nil)	
	Spare parts	Nil	NA
		(Nil)	
	Total	(Nil)	(Nil)
		(Nil)	(Nil)

For PRABHAT SECURITIES LTD.

Arjun Lal Sharma
 CHAIRMAN



For PRABHAT SECURITIES LIMITED

Kishor
 DIRECTOR

Notes forming part of the financial statements

PRABHAT SECURITIES LIMITED
"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR

Note 25 continued

Indigenous

Raw Materials (Rs. in Lacs)

Consumables

Packing Materials

Total

For the year ended
31 March, 2013

Rs.	%
0.00	0.00%
(0)	(0)
0	0%
(NIL)	(NIL)
0	
(NIL)	
0.00	0.00%
(0)	(0)

Note: Figures / percentages in brackets relates to the previous year

23.6 Earnings in foreign exchange : (Rs. in Lacs)

Export of goods calculated on FOB basis

Royalty, know-how, professional and consultation fees

Interest and dividend

Other income

For the year ended
31 March, 2013

For the year ended 31
March, 2012

Rs.	Rs.
Nil	Nil
Nil	Nil
Nil	Nil
Nil	Nil

23.7 In the opinion of the board of directors, the current assets, Loans & Advances if realized in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet and that no contingent liability exists as on 31.03.2012 except those mentioned in these notes on account

23.8 Adoption of revised Schedule VI of the Companies Act, 1956

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For PRABHAT SECURITIES LTD.

Anil Chai Lal Sharma
DIRECTOR



For PRABHAT SECURITIES LTD.

Rishu Kumar
DIRECTOR

PRABHAT SECURITIES LIMITED

REGD. OFF: SATYAM, 4/276, PARWATI BAGLA ROAD, KANPUR-02

ATTENDANCE SLIP

(To be presented at the entrance)

Reg. Folio No. :

No. of Shares held:

I certify that I am a member/proxy of the Company.

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company to be held at SATYAM, 4/276, PARWATI BAGLA ROAD, KANPUR-02 on Monday, the 30th Day of September, 2013 at 01:00 p.m.

Member's/Proxy's name in BLOCK letters

Signature of Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the venue for the meeting.

PRABHAT SECURITIES LIMITED

REGD. OFF: SATYAM, 4/276, PARWATI BAGLA ROAD, KANPUR-02

PROXY FORM

Reg. Folio No. :

I/We of in the district of being a member/members of the above named company, hereby appoint of in the district of or falling him..... of in the district of as my/our Proxy to attend and vote for me/us on my/our behalf at the 31st ANNUAL GENERAL MEETING of the Company to be held SATYAM, 4/276, PARWATI BAGLA ROAD, KANPUR-02 on Monday, the 30th Day of September, 2013 and at any adjournment(s) thereof.

Signed this day of, 2013.

Affix
Revenue
Stamp

Signature.....

Note: This Proxy form, 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 meeting.