

PRABHAT SECURITIES LIMITED

CIN : L22022UP1982PLC005759

32nd ANNUAL REPORT 2013-2014

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CHAIRMAN'S MESSAGE

Dear Members,

I am happy to get this opportunity to share with you the performance of your Company for the financial year 2013-14. Your Company has endured to make good profits of Rs. 102.05 thousands even under adverse market conditions. The International economic scenario is enigmatic. Growth is picking up from the recent slowdown, but still it is not in tune with the expectations of stakeholders. We faced the most challenging business environments of recent times during the period under review. However we stayed focussed in making ourselves more robust and less prone to external volatilities. We continue to remain optimistic and look forward for better future.

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
DIN: 00451143

BOARD OF DIRECTORS

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

Executive 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

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

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC CONDITION

The Global as well as Indian economy grew at a rate lower than average of the last 10 years due to overhang of lower capital expenditure and investments, tight monetary policy and sluggish demand conditions in critical sectors such as automotive, infrastructure and construction. There are significant expectations of the new Government to pursue further economic reforms, investments in infrastructure and an inclusive growth agenda 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. 102.05 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 07 times on 15.05.2013, 25.07.2013, 02.09.2013, 13.11.2013, 14.01.2014, 12.02.2014 and 31.03.2014,. 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	07	05	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	07	06	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	07	07	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. Guljhari Lal Sharma (DIN: 00451143), 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 15 Mayl 2013.

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.156000/-	NIL	Rs.156000/-

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
2012-13	30.09.2013	Satyam, 4/276, Parwati Bagla Road, Kanpur-02	10.00 A.M.
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.

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, 2014.
Day - Tuesday
Time - 11:00 A.M.
Venue - Satyam, 4/276,
Parwati Bagla Road,
Kanpur-02

II. **Financial Year** : 1st April 2013- 31st March 2014

III. **Date of book closure** : 23.09.2014 to 30.09.2014

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, 2014.

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
- XII. **CEO/CFO Certification:**
In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO of the Company have submitted necessary certificate to the Board at its meeting held on 28.05.2014 stating the particulars specified under the said clause.

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.

By the Order and on behalf of the Board of Directors

PLACE: KANPUR
DATE : 28 May 2014

Sd/-
(GULJHARI LAL SHARMA)
Director
DIN: 00451143

Sd/-
(RAMA KANT KUSHWAHA)
Director
DIN : 02237714

NOTICE

Notice is hereby given that the Annual General Meeting of M/s Prabhat Securities Limited will be held on 30th September, 2014 at 11:00 A.M. at the Registered Office of the Company to transact the following business:-

ORDINARY BUSINESS

- i) To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
- ii) To appoint M/s. KAMAL GUPTA ASSOCIATES , Chartered Accountants, (FRN 000752C) Auditors of the company to hold office from the conclusion of this Annual General Meeting up to the conclusion of 35th Annual General Meeting for a period of three years subject to ratification at every Annual General Meeting and to authorize the Board of Directors to fix their remuneration for the financial year ending 2015 and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 139, 142 and 144 of the Companies Act, 2013 and rules made there under, M/s. KAMAL GUPTA ASSOCIATES , Chartered Accountants, (FRN 000752C), be and are hereby appointed Auditors of the Company, to hold office from the conclusion of this meeting upto 35th Annual General Meeting for a period of three years subject to ratification at every Annual General Meeting of the Company, on such remuneration as may be mutually agreed upon between the Board of Directors and the Auditors".

- iii) To appoint Director in place of Mr. GULJHARI LAL SHARMA (DIN: 00451143), Director who retire by rotation and being eligible offer herself for re-appointment.

SPECIAL BUSINESS

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and Clause 49 of the Listing agreement, any statutory modifications thereof for the time being in force, Mr. Santosh Kumar Gupta (DIN: 01910960), Director of the Company who was appointed as a Director liable to retire by rotation at the Annual General Meeting, and in respect of whom the Company has received a Notice from a Member under Section 160 of the Companies Act, 2013 along with requisite amount signifying his intention to propose Mr. Santosh Kumar Gupta (DIN: 01910960), as a candidate for the office of Director of the Company be and is hereby

appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 30th September, 2014 or the date of the 37th Annual General Meeting, whichever is earlier."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of the Companies Act, 2013 and any statutory modifications or re-enactments thereof for the time being in force and Clause 49 of the Listing agreement, any statutory modifications thereof for the time being in force, Mr. PARSHANT MALANI (DIN: 06368140), in respect of whom the Company has received a Notice from a Member under Section 160 of the Companies Act, 2013 along with requisite amount signifying his intention to propose, Mr. PARSHANT MALANI (DIN: 06368140), as a candidate for the office of Director of the Company be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from 30th September, 2014 or the date of the 37th Annual General Meeting, whichever is earlier."

By the Order and on behalf of the Board of Directors

PLACE: KANPUR
DATE : 02.09.2014

Sd/-
(RAMA KANT KUSHWAHA)
Director
DIN: 02237714

NOTES:

1. Members are entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company under the Companies Act 2013.
2. The instrument appointing the proxy should be deposited at the Registered Office of Company before 48 hours of the commencement of the meeting.
3. Shareholders seeking any further information on the accounts and operations of the Company at the Annual General Meeting are requested to send their queries to the Company at the Registered Office at least seven days before the date of the meeting.
4. The Company will close its registers from 23.09.2014 to 30.09.2014(inclusive of Both Days)

ANNEXURE TO NOTICE:

EXPLANATORY STATEMENT pursuant to Section 102 of the Companies Act, 2013.

Item No. iv:

Mr. Santosh Kumar Gupta (DIN: 01910960) is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors in June 1992. Santosh Kumar Gupta (DIN: 01910960) retires by rotation at the ensuing AGM under the provisions of the erstwhile Companies Act, 1956. In terms of section 149, 150 and 152, Schedule IV read with Companies (Appointment and Qualification of Directors), 2014 and any other applicable

provisions of the Companies Act, 2013, Santosh Kumar Gupta(DIN: 01910960) being eligible himself for re-appointment as an Independent Director for a term of five years.

The Company has received from Santosh Kumar Gupta (DIN: 01910960) (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The Company has received Notice in writing from a member along with deposit of the requisite amount under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Santosh Kumar Gupta(DIN: 01910960)for the office of Director of the Company.

The resolution seeks the approval of members for the appointment of Santosh Kumar Gupta (DIN: 01910960) as an Independent Director of the Company up to five consecutive years commencing from 30th September, 2014 up to 30th September, 2019 or the date of the 37th Annual General Meeting, whichever is earlier, pursuant to section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Rules made there under.

In the opinion of the Board of Directors, Santosh Kumar Gupta (DIN: 01910960), the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under and he is independent of the Management. A copy of the draft letter for the appointment of Santosh Kumar Gupta(DIN: 01910960) as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Santosh Kumar Gupta (DIN: 01910960) as an Independent Director.

No director, key managerial personnel or their relatives, except Santosh Kumar Gupta (DIN: 01910960), to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. iv)for the approval of the member.

Item No. v:

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of requisite amount proposing the candidature of Mr. PARSHANT MALANI (DIN: 06368140) for the office of Independent Director, to be appointed as such under the provisions section 149, 150 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013.

The Company has received from, PARSHANT MALANI (DIN: 06368140) (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,(ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors take pleasures in presenting the 32nd Annual Report together with Audited statement on the business and operations of the company for the year ended on 31st March, 2014.

FINANCIAL RESULTS:

	2013-2014 (Rs.in'000)	2012-2013 (Rs.in'000)
Income	5247.38	4870.88
Profit/(Loss) before interest & dep.	169.14	942.62
Less:		
Interest	0.28	627.21
Depreciation	49.37	74.45
Profit / (Loss) Before Tax	119.49	240.96
Less:		
Current Tax	22.80	71.20
Deferred Tax	+ 5.36	6.02
Profit / (Loss) After Tax	102.05	163.74

OPERATIONAL RESULTS:

During the year under review, the company has received an income of Rs. 102.05 (in'000) as compared to the previous year income of Rs. 163.74 (in'000). Due to increase in expenditure, the Company earned a profit little less as compared to the previous year. The Board of Directors is hopeful for the better results of the company in the next financial year.

DIVIDEND:

With a view to conserve the financial resources of the company for meeting financial requirements for future business projects it was decided by the Board not to declare any dividend this year.

FIXED DEPOSIT:

Your company has not accepted any deposit prescribed U/s 58A of the companies Act 1956 during the financial year.

AUDITORS:

M/s. KAMAL GUPTA ASSOCIATES., Chartered Accountants, Statutory Auditors of the Company hold office till the conclusions of the ensuing Annual General Meeting of the Company and are eligible for re-appointment and from whom the Company has received a certificate to the effect that their re-appointment, if made would be within the limits as prescribed under Section 224(1)(b) of the Companies Act, 1956 (corresponding Section 139 read with Section 141 of the Companies Act, 2013) and rules made thereunder You are requested to consider their reappointment.

CHANGE IN MANAGEMENT & TAKEOVER:

There is no change in the management of the company during the Financial Year.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:

As stipulated in section 217 (2AA) of Companies Act 1956, Your Directors subscribe to the Directors Responsibility statement and confirm as under:

- i. That the preparations of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgment 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 financial year and of the Profit of the company for that period.
- iii. That the directors have taken proper and sufficient care of the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv. That the Directors have prepared the annual accounts on a going concern basis.

INDUSTRIAL RELATIONS:

During the period under review the relation between employee and Management remained cordial.

DIRECTOR:

As per the provisions of the Companies Act, 2013, Mr. GULJHARI LAL SHARMA (DIN: 00451143), Director of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible seek reappointment. The Board of Directors recommend his reappointment.

None of the Directors is disqualified u/s 164 of the Companies Act, 2013

AUDITORS REPORT:

The observations as per Auditors Report are self-explanatory and does not call any further clarification from directors.

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.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING OUTGO:

Your Company try to use power saving devices by implementing the advanced and latest technology in carrying out its operational activities. There is a system of proper check and control in order to avoid unnecessary wastage of power and energy.
Foreign Exchange earnings and outgo is NIL.

EMPLOYEES:

The particulars as required u/s 217 (3A) of the companies Act, 1956 are furnished as none of the employee is drawing remuneration of Rs.500000/- or more per month if employees for apart of the year of Rs.6000000/-if employed throughout the period.

ACKNOWLEDGEMENTS:

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

By the Order and on behalf of the Board of Directors

PLACE: KANPUR

DATE : 28 May 2014

Sd/-

(GULJHARI LAL SHARMA)

Director

DIN: 00451143

Sd/-

(RAMA KANT KUSHWAHA)

Director

DIN : 02237714

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

As provide under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management Personnel have confirmed compliance with the code of conduct for the year ended March 31, 2014.

By the Order and on behalf of the Board of Directors

PLACE: KANPUR

DATE : 28.05.2014

Sd/-

(GULJHARI LAL SHARMA)

Director

DIN: 00451143

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
FRN-00752C

Place: Kanpur
Date: 28.05.2014

R.K. Associates
(Company Secretaries)

Flat No. 304, Ardi Kumari Apartment,
17/M/86, Kakada, Kanpur

Ph: 9415132749, 7607332200

E Mail: rekhampgi@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, 2014. 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 7 (Seven 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, 2013 was held on 30.09.2013 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 meeting held during the financial year under scrutiny.
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.
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) delivered all the certificates on lodgment of shares certificate for transmission or any other purpose in accordance with the provisions of the Act;
 - (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 31st March, 2014.
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 granted interested free Unsecured Loans to companies , Firms and other parties covered in the register maintained u/s Section 301 of the Companies Act 1956. The year end balances of such loans are Rs. 6.48 Lacs.
26. The Company has taken interest free loans from the Companies covered under section 301 of the Companies Act 1956 aggregating to Rs. 30.75 Lacs during the year.
27. 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.
28. The company has altered the provisions of the memorandum with respect to the objects of the company during the year under scrutiny and complied with provisions of the Act.
29. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
31. The Company has not altered its Articles of Association during the financial year.

32. 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.
33. The Company has not received any security from its employees during the financial year.
34. The Company has not deducted Provident Fund contribution during the financial year which is not applicable.

FOR

R.K & Associates

SD/-

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

Place: Kanpur

Date: 28/05/2014

DISCLAIMER

Our report analysis is based on the information made available to us by the management of "Prabhat Securities Limited" and the information obtained by us from public domain as mentioned in the report. Any subsequent changes/modifications/revisions (either positive or negative) to the financial and secretarial parameters and other information provided to us, may alter the result of the report, positively or negatively and we will not be liable for such consequences.

Registers as maintained.

ANNEXURE -A

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, 2014:

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	31.03.2013	29.10.2013	YES	No
2.	Compliance Certificate	383A	31.03.2013	29.10.2013	YES	No
3.	Annual Return Schedule V	159	30.09.2013	15.11.2013	YES	No
4.	Form 23 B		30.09.2013	26.11.0213	Yes	No

ANNEXURE 'C'

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

<u>S.No.</u>	<u>Date of the Board Meeting</u>
1.	15.05.2013
2.	25.07.2013
3.	02.09.2013
4.	13.11.2013
5.	14.01.2014
6.	12.02.2014
7.	31.03.2014
