

# 2020

## ANNUAL REPORT



# PRABHAT SECURITIES LIMITED

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## CORPORATE INFORMATION

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### BOARD OF DIRECTORS

-Mr. Vijay Kumar Jain , Chairman  
-Mr. Rama Kant Kushwaha, Managing Director  
-Mr. Guljhari Lal Sharma, Director  
-Mr. Amit Soni, Additional Director  
-Mr. Krishna Kamal Prasad, Director  
-Mrs. Vandana Sharma, Director

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### KEY MANAGERIAL PERSONNEL

-Mr. Rama Kant Kushwaha, Managing Director  
-Mrs. Rekha Kejriwal, Company Secretary  
-Mr. Dharmendra Kumar, Chief Financial Officer

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### STATUTORY AUDITORS

-R.P Khandelwal & Associates(Jaipur), Rajasthan

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### INTERNAL AUDITORS

-Mr. Dharmendra Kumar, Chief Financial Officer

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### BANKERS

-HDFC Bank Limited  
Krishna Tower,15/63, Civil Lines, Kanpur

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### REGISTRAR & SHARE TRANSFER AGENTS

**MAHESHWARI DATAMATICS PVT. LTD.**  
23 R.N.Mukherjee Road 5th Floor  
Kolkata - 700 001  
Phone - 033-22482248, 2243-5029  
Email - [info@mdpl.in](mailto:info@mdpl.in) Website – [www.mdpl.in](http://www.mdpl.in)

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### REGISTERED OFFICE

**PRABHAT SECURITIES LIMITED,**  
L22022UP1982PLC005759  
'Satyam', 118/610A, Kaushalpuri, Kanpur  
208012, UP, IN  
Phone: 91-512-3073793  
Website: [www.prabhatsecuritiesltd.com](http://www.prabhatsecuritiesltd.com)  
Email Id: [prabhatsecurities@gmail.com](mailto:prabhatsecurities@gmail.com)

## CHAIRMAN'S MESSAGE

Dear Shareholders,

COVID-19 and the associated lockdowns across countries have triggered a once-in-a-century crisis for the society and the economy in 2020. January now seems like a month of a bygone era – such has been the enormity of change. This is a defining period in human and business history: one that will test the resilience of individuals, societies, corporations and nations.

Given the fog of uncertainty all around, it is hard to be prescient in these times. But there is little doubt on one reality: companies with quality leadership, sound business fundamentals and a track record of winning in turbulent times, will emerge as champions in the new global order.

### GLOBAL ECONOMY

It has been several months since the pandemic engulfed the world and yet there is a lot of uncertainty with respect to the extent of the economic contraction due to this crisis, and the subsequent pace of recovery.

This year will see an economic contraction, but the '2020 recession' is turning out very different from the past recessions. It has been too sudden – almost off the cliff; its spread has been all-encompassing – affecting almost every economy and sector; and the plunge in economic activity levels and employment has been unprecedented.

Some scars of the crisis will remain in the form of subdued consumer and business confidence. Some sectors like airlines and hospitality will take time to recover fully. And some supply chain disruption effects will linger. The International Monetary Fund (IMF) and other agencies are predicting that it could take about five to six quarters for global GDP to inch back to pre-crisis levels, and the global economic trajectory thereafter will be below the pre-COVID trajectory for the next few years.

As the world emerges from the current crisis, the next few years are likely to be marked by the lack of buoyancy in growth, subdued commodity prices and inflation, a cautious trend in project investments, heightened risks of de-globalisation and political uncertainty.

### INDIAN ECONOMY

COVID-19 struck India at a time when the underlying economic conditions were subdued on account of heightened global uncertainty and stress in the domestic financial system.

Against this backdrop, a stringent national lockdown to slow the spread of the pandemic started in the last week of FY 20 and remained active to varying degrees in different geographies through most of the Q1 FY 21. It is estimated that ~80% of India's GDP originates from districts which were classified under the red and orange zones during the lockdown, where economic activity remained severely constrained. Correspondingly, India's GDP is likely to contract in FY 21, which would be the first such instance in over four decades. The contraction is estimated to be particularly severe during Q1.

Responding to this challenge, both the Reserve Bank of India (RBI) and the Government of India announced several policy measures to provide relief to the affected sections of the economy, to reduce the possibility of business failures and to support the process of recovery. The government has already initiated some remarkable reforms in agriculture, mining and public sector enterprises. Such pragmatic policies along with the ambitious National Infrastructure Pipeline programme that the government had announced in December 2019 will support India's medium-term growth rebound. In the interim, however, the Indian economy, like the global economy will need to navigate through some difficult quarters.

### YOUR COMPANY PERFORMANCE

I have pleasure to get this opportunity to share with you the performance of your Company for the financial year 2019-20 which has declined, during the last financial year and in the two and a half months of lockdown viz. the second half of March, April and May, there is steep decline in the performance of the Company. The financial services sector is pivotal to the India growth story as well as the Group's overall strategy. Your Company has a vision to be a leader and role model in the financial services sector and has made significant progress towards it. Going forward, your Company will focus on leveraging synergies of a unified financial services platform and the Aditya Birla Group, to reach out to more customers and increase penetration of its financial services solutions.

Your company follows strong corporate values and high qualities in service. It has shown good growth in business and in a manner which 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 stakeholders of the company with great commitment and also look forward to your continued support in the fulfillment of the objective of the company.

## **CONCLUSION**

FY 20 is not just another year. Never has the transition between two financial years been as tumultuous for the global economy. The pandemic is no doubt, a sobering reminder of how the world can change in unforeseeable ways.

As COVID-19 gets quelled and the global economy reawakens, endurance will pave the way for renewal – for individuals and corporations alike. When we emerge from the pandemic, I have no doubt that the world will recognise and celebrate corporations that are exemplars of good governance and sustainable growth. You can count on your Company as being one of them.

With Warm Regards,

Sd/-

Mr. Vijay Kumar Jain  
Chairman

## **AGM NOTICE**

Notice is hereby given that the thirty-eighth annual general meeting of the shareholders of Prabhat Securities Limited (PSL or the Company') will be held on Tuesday, 30<sup>TH</sup> December 2020 at 01.30 p.m. through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM') facility to transact the following:

### **ORDINARY BUSINESS:**

1. To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2020, together with the Directors' and Auditors' Reports thereon.
2. To appoint a director in place of Guljhari Lal Sharma (DIN: 00451143), who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

By order of the Board of Directors

For Prabhat Securities Limited

SD/-

Rama Kant Kushwaha  
Managing Director  
DIN:02237714  
7<sup>th</sup> December,2020

## ANNEXURE TO NOTICE

### **BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS AND PROVISIONS OF THE ACT.**

**Item no. 2 of the Notice:**

<b>Particulars</b>	<b>Re- Appointment</b>
Name of Director	Mr. Guljhari Lal Sharma
DIN	00451143
Date of Birth	19.02.1944
Shareholding in the Company	0.68%
Date of Appointment/Re-appointment	12.01.1994
Qualification	M.A., M.Com., LLB
Expertise in specific functional Area	Mr. Guljhari Lal Sharma is a Promoter Director of our Company. He has been associated with our Company since inception and having the experience of more than 50 years of in the field of share market.
List of other Listed companies in which Directorship held	<b>Nil</b>
Memberships/Chairmanships of committees of the Listed Company	<b>Nil</b>

**Notes:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.prabhatsecuritiesltd.com](http://www.prabhatsecuritiesltd.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. Metropolitan Stock Exchange of India Limited (MSEI) and Calcutta stock Exchange (CSE) at [www.msei.in](http://www.msei.in) and [www.cse-india.com](http://www.cse-india.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 27.12.2020 from 09.00 A.M and ends on 29.12.2020 till 05.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22.12.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,



- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from [Login - Myeasi](#) using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (xii) Click on the EVSN **201204027** for the relevant Prabhat Securities Limited on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS**

**NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for

VC/OAVM will be available in shareholder/members login where the EVSN **201204027** of Company will be displayed.

2. The Skyline Financial Services Private Limited-will be providing VC/OAVM Services.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 48 hours prior to the meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **Five days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE E-AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address [prabhatsecurities@gmail.com](mailto:prabhatsecurities@gmail.com) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## **KEY HIGHLIGHTS DURING THE YEAR**

### ➤ **1. TOTAL REVENUE (GROSS)**

- **Current Year:** Rs.23,02,844.00
- **Previous Year:** Rs.30,82,870.00

### ➤ **2. EXPENSES**

- **Current Year:** Rs.18,27,277.00
- **Previous Year:** Rs.21,86,227.00

### ➤ **3. PPROFIT /LOSS AFTER DEPRECIATION AND TAXES**

- **Current Year:** Rs.1,61,510.00
- **Previous Year:** Rs.5,76,880.00

### ➤ **LISTING**

- The Equity Shares of the Company are listed on the Calcutta Stock Exchange Ltd. And Metropolitan Stock Exchange of India Limited (MSEI)

## **ANNUAL GENERAL MEETING DETAILS**

Day: TUESDAY

Date: 30<sup>TH</sup> December,2020

Time: 1:30 P.M.

Venue: **PRABHAT SECURITIES LIMITED**

'118/610 A, Kaushalpuri,

Kanpur, Uttar Pradesh – 208012

## **BOARDS' REPORT**

**To,**  
**The Members,**  
**PRABHAT SECURITIES LIMITED**

Your Directors have pleasure in presenting the 38<sup>th</sup> Boards' Report of the Company together with audited Statement of Accounts and the Auditors' Report of your company for the financial year ended 31st March, 2020.

- **FINANCIAL RESULTS**

		(Amount in Rs.)
Financial Results	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Turnover (including Other Income)	23,02,844	30,82,870
(b) Net Profit/Loss (before depreciation, Intrest and tax)	4,75,567	8,96,643
Less: Finance Cost	64,716	56,665
Less : Depreciation	2,49,341	2,63,098
(c) Net Profit/(Loss) before tax	1,61,510	5,76,880
Less : Provision for Tax (including for deferred tax)	90,102	2,03,673
(d) Net Profit/(Loss) after tax	71,408	3,73,207

- **EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is available on

the company's website [www.prabhatsecuritiesltd.com](http://www.prabhatsecuritiesltd.com)

- **BOARD MEETINGS DURING THE FINANCIAL YEAR**

During the financial year 2019-20, the Board of Directors of the Company duly meet Six (06) times as under on 28.05.2019, 05.07.2019, 13.08.2019, 04.09.2019, 13.11.2019 and 14.02.2020, the intervening gap between the two meetings was within the period as prescribed under the Companies Act, 2013.

Further, the status of attendance of Board Meeting by each of Director is as follow:

	Name of Director	No. of Board Meeting Held	No. of Board Meeting Attended
1.	VANDANASHARMA	6	6
2.	RAMA KANT KUSHWAHA	6	6
3.	VIJAY KUMAR JAIN	6	6
4.	GULJHARI LAL SHARMA	6	6
5.	AMIT SONI	<u>6</u>	<u>6</u>
<u>6</u>	KRISHNA KAMAL PRASAD	<u>6</u>	<u>6</u>

- **CHANGE IN THE DIRECTORS OF THE COMPANY**

There is no change in the Board of Directors of the Company during the Financial Year 2019-20 except the approval of the re-appointment of Independent Directors, Mr. Krishna Kamal Prasad and Mr. Amit Soni for the another term of five years starting from 21.03.2020 to 20.03.2025.

- **KEY MANAGERIAL PERSONNEL**

As per the definition of Key Managerial Personnel as contained in section 2(51) of the Companies Act, 2013, the "Key Managerial Personnel" in relation to the Company are:

Chief Executive Officer or Managing Director or Whole Time Director  
Company Secretary  
Chief Financial Officer  
And, such other officer as may be prescribed

During the period under review,

- Mr. Ramakant Kushwaha (Managing Director of the Company)
- Mr. Dharmendra Kumar (Chief Financial Officer of the Company)
- Ms. Rekha Kejriwal (Company Secretary)

The Remuneration and other details of the Key Managerial Personnel for the year ended March 31, 2018 are mentioned in the Extract to the Annual Return in Form MGT-9, is available on the company's website [www.prabhatsecuritiesltd.com](http://www.prabhatsecuritiesltd.com)

- **LISTING OF SHARES**

The Company's shares are listed with Calcutta Stock Exchange Limited and Metropolitan Stock Exchange of India Limited, Mumbai.

- **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act, 2013, the Directors, to the best of their knowledge and belief, confirm that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) 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 and loss of the company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual accounts on a going concern basis; and

(e) Clause (e) of section 134(5) is not applicable as the Company is not a listed Company

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

- **BOARD OF DIRECTORS-**

- **Composition/Category**

The present strength of the Board of Director is 6(Six). The Composition of the Board is as follows:

- Three Non Executive, Independent Directors,
- One Non Executive, Promoter Director(Women),
- One Executive, Non Independent Director,
- One Executive, Promoter Director



<b>Sr. No.</b>	<b>Category</b>	<b>Name of Director</b>
I.	Executive, Non Independent Director Executive and Promoter Director  Non Executive, Non Independent Director	<ul style="list-style-type: none"> <li>➤ Mr. Rama Kant Kushwaha,(MD)</li> <li>➤ Mr. Guljhari Lal Sharma (Director)</li> <li>➤ Mrs. Vandana Sharma (woman Director)</li> </ul>
II.	Independent Directors	<ul style="list-style-type: none"> <li>➤ Mr. Vijay Kumar Jain</li> <li>➤ Mr. Amit Soni</li> <li>➤ Mr. Krishna Kamal Prasad</li> </ul>

- **COMMITTEES OF BOARD OF DIRECTORS**

In accordance with the applicable provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, The Board constituted the following committees –

1. AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE
2. STAKEHOLDERS RELATIONSHIP COMMITTEE
3. NOMINATION AND REMUNERATION COMMITTEE

- **AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE**

- **Brief description of Terms of Reference:**

The Audit Committee comprises of Mr. Amit Soni as Chairman Mr. V.K.Jain and Mr. Krishna Kamal Prasad and Mr. Guljhari Lal Sharma as members of the Committee. The role and Terms of reference and powers of Audit Committee are in conformity with the Section 177 and Section 178 of Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, which, inter alia, includes to oversee the Company's financial reporting process, to review Directors' Responsibility Statement, changes, if any, in accounting policies and reasons for the same, qualifications in the draft audit report, performance & independence of statutory and internal auditors, reports of the Company's internal auditors and financial statement audited by the statutory auditors and also to review the information relating to Management Discussion and Analysis of financial statements and results of operations, statement of significant related party transactions, and internal control systems.

The Audit Committee met Four Times in the year.as follows

1. 20/05/2019
2. 09/08/2019
3. 02/11/2019
4. 10/02/2020

- **STAKEHOLDERS RELATIONSHIP COMMITTEE**

- **Brief Description of Terms of Reference:**

- The Committee comprises of Mr. Krishna Kamal Prasad as Chairman Mr. V.K.jain , and Mr. Rama Kant Kushwaha as members of the Committee. The Committee’s composition and the terms of reference meet with the requirements under the Provisions of section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

During the year, the Committee Meetings were held two times as follows;

- 1) 10/08/2020
- 2) 12/01/2020

The terms of Reference inter alia include the following

- To specifically look into the redressal of grievances of shareholders and other security holders, If any.
- To Consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non- receipts of balance sheet, non- receipt of declared dividends: and
- To act in terms of any consequent statutory modification(s)/ amendment(s)/ revision(s) to any of the applicable provisions to the said Committee.

- **COMPLIANCE OFFICER:**

- Mrs. Rekha Kejriwal (Company Secretary) is the Compliance Officer of the Company for complying with requirements of Securities Laws and Listing Agreements with Stock Exchanges.

<b>Nature of Complaint</b>	<b>No. of complaints Received</b>	<b>No. of Complaints Redressed</b>
Non receipt of Dividend	0	0
Issue of Duplicate certificates/ Share Certificates	0	0
Non receipt of Annual Return	0	0

- There are no outstanding complaints as on 31<sup>st</sup> March 2020.

- **NOMINATION AND REMUNERATION COMMITTEE**

- **Brief Description of Terms of Reference:**

The Committee’s composition and the terms of reference meet with the requirements under the Provisions of section 178(5) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Composition:** The Nomination and Remuneration Committee is comprises of Mr. V.K.Jain as Chairman, and Mr. Krishna Kamal Prasad, Mr. Amit Soni and Mrs. Vandana Sharma as members of the Committee.

During the year, the Committee Meetings were held on two times as follows ;

1. 09/08/2020
2. 12/01/2020.

### **3. ANNUAL GENERAL MEETINGS**

Details of Last Three Annual General Meetings held:

<b>Particulars</b>	<b>FY 2016-2017</b>	<b>FY 2017-2018</b>	<b>FY 2018-2019</b>
Day	Friday	Saturday	Monday
Date	29-09-2017	29-08-2018	30-09-2019
Time	01:00 P.M	01:30 P.M.	01:30 P.M
Venue	'SATYAM', 4/276, Parwati Bagla Road, Kanpur, Uttar Pradesh – 208002	'SATYAM', 4/276, Parwati Bagla Road, Kanpur, Uttar Pradesh -208002	'SATYAM', 4/276, Parwati Bagla Road, Kanpur, Uttar Pradesh - 208002

- No Special resolutions have been passed by the Company during the last Three Financial Years except the appointment and re-appointment of Independent Directors. There is no resolution passed through postal ballot process at the ensuing Annual General Meeting.

#### **• DETAIL OF FRAUD AS PER AUDITORS REPORT**

There is no fraud in the Company during the F.Y. ended 31st March,2020 This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31st March,2020.

#### **• BOARD'S COMMENTS ON QUALIFICATION, RESERVATION & ADVERSE REMARKS OR DISCLAIMER MADE BY:**

##### **• Statutory Auditors**

No Observation made by the Statutory Auditors in their Report and therefore, do not call for any further comments under section 134(3)(f) of the Companies Act, 2013.

##### **• Secretarial Auditors**

No Observation made by the Secretarial Auditors in their Report and therefore, do not call for any further comments.

- **Cost Auditors**

The Cost audit of the Company has not been conducted for the financial year 2019-2020 as provisions of Section 148 of the Companies Act, 2013 are not applicable on the Company.

- **PARTICULARS OF INTER-CORPORATE LOANS & INVESTMENT**

During the financial year 2019-2020, the Company has not made any investment. Further the Company has not given any guarantee or security to any person or body corporate.

- **PARTICULARS OF RELATED PARTY TRANSACTIONS**

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. As per Annexure-A of director's report in Form AOC-2

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

- **BOARD ANNUAL EVALUATION**

Pursuant to the provisions of the Companies Act 2013, and SEBI (Listing Obligations And Disclosure Requirements) Regulations 2015, the Board has carried out the annual performance evaluations of its own performance, the Directors individually as well as the evaluation of its committees. The evaluation criteria, inter-alia, covered various aspects of the Boards' functioning including its composition and quality, understanding business and risks, process and procedure, oversight of financial reporting process inter controls in audit functions, ethics and compliance and monitoring activities.

The performance of individual Directors was evaluated and parameters, inter-alia such as regulatory, preparatory, participation at the Board meetings, timely execution of action items, recommendation and their periodic update to the Board, effective and successful relationships and communication with fellow Board members and senior management quality and value of their contributions at Board meeting, adherence to Company's policies and resolutions, devoting time and effort to understand the Company and its business etc.

- **DECLARATION BY INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independent laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- **SECRETARIAL AUDIT**

The Secretarial Auditors, Mr. Vaibhav Agnihotri, CP No. 21596, Company Secretary, has issued Secretarial Audit Report for the Financial Year 2019-2020 pursuant to Section 204 of the Companies Act, 2013, which is annexed to Annual Report. **(Refer Annexure-1)** The Secretarial Audit Report for the Year under review does not contain any qualification, reservation or adverse

remark or disclaimer

- **MEANS OF COMMUNICATION**

The Company publishes its financial results every quarter in leading English newspapers such as “Financial Express” and in Hindi newspapers such as “Jansatta” and the same were also sent to all the Stock Exchanges where the Equity shares of the Company are listed. The results are also displayed on the Company’s website [www.prabhatsecuritiesltd.com](http://www.prabhatsecuritiesltd.com).

- **STATE OF COMPANY’S AFFAIRS**

It is imperative that affair of our Company are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders.

- **AMOUNT WHICH IT PROPOSES TO CARRY TO RESERVES**

The amount of Rs.32,300 is being transferred to the Statutory Reserve created according to Section 45 I of Reserve Bank Of India Act,1935 and balance carried into General Reserve

- **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.

- **MATERIAL CHANGES & COMMITMENTS**

There has been no material changes and Commitment affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the Report.

- **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO**

Pursuant to provisions of Section 134(3)(m) & Rule 8(3)(A) of Companies (Accounts) Rules, 2014 the details of energy conservation, technology absorption and foreign exchange earnings and outgo has been given in Annexure-B to this report.

- **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

The management of the Company has duly adopted the Risk Management Policy as per the requirement of the Companies Act, 2013. Further, they had taken adequate care in its implementation by identifying various element of risk which may cause serious threat to the existence of the Company.

- **DETAILS OF COMPANY’S CORPORATE SOCIAL RESPONSIBILITY**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report

- **JOINT VENTURE/ ASSOCIATE OR SUBSIDIARY COMPANIES**

Details of an associate company of the company is as follows:-

S. No.	Name of the Company	% of Shareholding	No. of Shares held
1.	Prabhat Financial Services Limited	23.06%	3,00,000 Equity Shares of 10 each are directly held by company

- **REPORT ON PERFORMANCE OF SUBSIDIARIES.**

The Company has no subsidiary company.

In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and its associate company, which form part of the Annual Report. The Board's Report has been prepared based on "STAND ALONE FINANCIAL STATEMENT OF THE COMPANY"

Associate – There is an associate company named Prabhat Financial Services Limited, which ceased to be an associate w.e.f. 23.08.2020

Joint venture companies-There is no joint venture company

- **DEPOSITS**

The Board states that no disclosure or reporting was required in respect of the details relating to deposits covered under Chapter V of the Act as there were no deposits during the financial year 2019-20.

- **DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and rules made there under, your Company has adopted a Sexual Harassment Policy for women to ensure healthy working environment without fear of prejudice, gender bias and sexual harassment.

The Board states that there were no cases or complaints filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- **ORDERS PASSED BY REGULATORS/COURTS/TRIBUNALS**

There is no such order passed by the Regulators/Courts/Tribunals in respect to the Company during the financial year.

- **INTERNAL FINANCIAL CONTROLS**

The Company has maintained adequate financial control system, commensurate with the size, scale and complexity of its operations and ensures compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations.

- **PARTICULARS OF EMPLOYEES**

None of the employees who have worked throughout the year or a part of the financial year were

getting remuneration in excess of the threshold mentioned under Section 197(12) of the Act read with rule 5(2) of Companies (Appointment and Remuneration) Rules, 2014.

- **NO CHANGES IN THE BUSINESS**

Your Directors would like to inform that Company is doing its regular business without any deviation to other objects.

- **WHISTLE BLOWER POLICY**

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the best standards of professionalism, honesty, integrity and ethical conduct. The Company has a Whistle Blower Policy under which the employees are free to report violations of the applicable laws and regulations and the code of conduct. Whistle Blower Policy is available on the website of the Company at [www.prabhatsecuritiesltd.com](http://www.prabhatsecuritiesltd.com)

- **ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation for the co-operation and support extended by the Share Holders, various authorities, banks, dealers and vendors.

The Directors also acknowledge with gratitude the dedicated efforts and valuable contribution made by all the employees of the Company.

**For & on behalf of the Board of  
Prabhat Securities Limited**

**Dated: 07/12/2020**  
**Place: Kanpur**

**Sd/.**  
**Mr. V.K.Jain**  
**(Chairman)**

**Sd/.**  
**Mr. Ramakant Kushwaha**  
**(Managing Director)**

**ANNEXURE –A**

**FORM NO.-AOC -2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

- 1. Details of contracts or arrangements or transactions not at arm's length basis: N.A.**
- 2. Details of material contracts or arrangement or transactions at arm's length basis-**



S. No.	Name of Related Party	Nature of Relationship	Nature of Contract / Arrangement / Transactions	Amount
1.	Ramakant Kushwaha	Managing Directors	Remuneration	2,40,000.00
2.(a)	Santosh Devi Sharma	Relative of Director	Rent Expenses	96,000.00
(b)	Ashosk Kumar Sharma		Rent Expenses	48,000.00
(c)	Vimal Kumar Sharma		Rent Expenses	48,000.00
3.	Wollmine India (P) Ltd	Relatives of Director is Director of the Co.	Interest Received	41,622.00
4.	VKS Fincap Private Limited	Relatives of Director is Director of the Co.	Interest Received	4,06,082.00

### ANNEXURE – B

**INFORMATION RELATING TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014**

**(a) Conservation of energy**

(i)	the steps taken or impact on conservation of energy	N.A.
(ii)	the steps taken by the company for utilizing alternate sources of energy	N.A.
(iii)	the capital investment on energy conservation equipments	N.A.

**(b) Technology absorption**

(i)	the efforts made towards technology absorption	The Company has not absorbed any technology from any source.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.



(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported	N.A.
	(b) the year of import;	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv)	the expenditure incurred on Research and Development	N.A.

**(c) Foreign exchange earnings and Outgo**

The Foreign Exchange earned in terms of actual inflows during the year: NA

The Foreign Exchange outgo during the year in terms of actual outflows: NA.

**For & on behalf of the Board of  
Prabhat Securities Limited**

**Dated: 07/12/2020**  
**Place: Kanpur**

**Sd/.**  
**Mr. V.K.Jain**  
**(Chairman)**

**Sd/.**  
**Mr. Ramakant Kushwaha**  
**(Managing Director)**

**ANNEXURE-1**  
**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020**

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

To  
The Members  
**PRABHAT SECURITIES LIMITED**  
118/610 A Kaushalpuri, Kanpur-208012

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRABHAT SECURITIES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-law framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment; (Not applicable to the Company during the Audit period);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. December 01, 2015.
6. Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to Non-Deposit taking NBFC which are specifically applicable to the Company.
7. Other laws applicable to the Company specifically as per the representations made by the Company

We have also examined compliance with the applicable clause of the following:

- 7.1) Secretarial Standards issued by The Institute of Company Secretaries of India.
- 7.2) We have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with CSE Ltd. and MSEI Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors that took place during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried unanimously as recorded in the minutes of the Meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that there were no other instances having a major bearing on the company's affairs, under above referred laws, rules, regulations, guidelines, standards etc.

**For V. Agnihotri & Associates  
(Company Secretaries)**

**SD/-  
FCS Vaibhav Agnihotri  
(Proprietor)  
Mem No.: 10363  
C.P.No.: 21596**

**UDIN: F010363B001403480**

**Place:** Kanpur

**Date:** 07.12.2020

**Note:** This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

**ANNEXURE-A**

To  
The Members  
**PRABHAT SECURITIES LIMITED**

Our report of even date is to be read along with this letter.

Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For V. Agnihotri & Associates  
(Company Secretaries)**

**SD/-**

**FCS Vaibhav Agnihotri  
(Proprietor)**

**Mem No.: 10363**

**C.P.No.: 21596**

**UDIN: F010363B001403480**

**Place:** Kanpur

**Date:** 07.12.2020

## MANAGEMENT DISCUSSION AND ANALYSIS

- ECONOMIC CONDITION

We are living in unprecedented times with the global pandemic bringing India to a lockdown for the first time in our known history. All our businesses were fully prepared for the complete shutdown with our Business Continuity Plans, much ahead of the nationwide lockdown.

NBFCs play an important role in the Indian financial system by complementing the banking sector and leveraging on their efficient and nimble operations, to promote their tailor-made products. Their role in promoting financial inclusion and catering to the needs of small businesses and specialised segments give an additional dimension to their importance. Although the NBFC sector grew by 18% year-on-year in FY 19, the pace of expansion was lower in FY 19, mainly due to credit downgrades and liquidity squeeze within the sector. NBFC growth in H1 FY 20 moderated to 6% due to lower credit demand.

- BUSINESS OVERVIEW

The Company is of opinion that there is ample of opportunities 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 2019-2020 has not been satisfactory due to pandemic.

- 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 RESOURCES 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 Statement 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.

**‘ANNEXURE -2’  
FORM NO. MGT9  
EXTRACT OF ANNUAL RETURN  
as on financial year ended on 31.03.2018  
Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I REGISTRATION & OTHER DETAILS:**

i	<b>CIN</b>	L22022UP1982PLC005759
ii	<b>Registration Date</b>	03rd September 1982
iii	<b>Name of the Company</b>	Prabhat Securities Limited
iv	<b>Category/Sub-category of the Company</b>	Public Company Limited by Shares
	<b>Address of the Registered office &amp; contact details</b>	118/610A, Kaushal Puri, Kanpur-208012
vi	<b>Whether listed company</b>	Yes
vii	<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	<b>MAHESHWARI DATAMATICS PVT. LTD.</b> 23 R.N.Mukherjee Road 5th Floor Kolkata - 700 001 Phone - 033-22482248, 2243-5029 Email - info@mdpl.in Website – www.mdpl.in

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

<b>SL No</b>	<b>Name &amp; Description of main products/services</b>	<b>NIC Code of the Product /service</b>	<b>% to total turnover of the company</b>
1	Business of finance, Investment and fund based and non fund based activities.	64990	100

**III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	PRABHAT FINANCIAL SERVICES LIMITED 118/610A, Kaushalpur, Kanpur-208012	U67190UP1995PLC017537	ASSOCIATE	23.06%	2(6)

#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
	Particular	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	283000	0	283000	9.76%	283000	0	283000	9.76%	
b) Central Govt. or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	212000		212000	7.31%	212000		212000	7.31%	
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL:(A) (1)</b>	<b>495000</b>	<b>0</b>	<b>495000</b>	<b>17.07%</b>	<b>495000</b>	<b>0</b>	<b>495000</b>	<b>17.07%</b>	
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>495000</b>	<b>0</b>	<b>495000</b>	<b>17.07%</b>	<b>495000</b>	<b>0</b>	<b>495000</b>	<b>17.07%</b>	

#### B. PUBLIC SHAREHOLDING

<b>(1) Institutions</b>									
-------------------------	--	--	--	--	--	--	--	--	--



a) Mutual Funds	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0
C) Cenntal govt	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	0	0	0	0	0	0	0	0
<b>(2) Non Institutions</b>								
a) Bodies Corporates	100000	0	100000	3.45	100000	0	100000	3.45
i) Indian	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0
b) Individuals								
i) Individual shareholders holding nominal share capital upto Rs.2 lakhs	135000	135807	270807	9.34	135000	135807	270807	9.34
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	1785000	249200	2034200	73.42%	1815100	219100	2084200	70.14
c) Others (specify)	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	1920000	385007	2405007	82.93%	2050100	354907	2405007	82.93%
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	1920000	385007	2405007	82.93%	2050100	354907	2405007	82.93%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	2415000	485007	2900007	100.00%	2545100	354907	2900007	100.0%

**(ii) SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholders Name	Shareholding at the beginning of the year	Shareholding at the end of the year	% change in share holding during

		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	the year
1	RITIKA SHARMA	39000	1.34	0	39000	1.34	0	0.00%
2	RAJESH SHARMA	39000	1.34	0	39000	1.34	0	0.00%
3	ANIL KUMAR SHARMA	20000	0.69	0	20000	0.69	0	0.00%
4	ASHOK KUMAR SHARMA	49500	1.71	0	49500	1.71	0	0.00%
5	G.L. SHARMA HUF	20000	0.69	0	2000	0.69	0	0.00%
6	G.L. SHARMA	15000	0.52	0	15000	0.52	0	0.00%
7	SANTOSH DEVI SHARMA	15000	0.52	0	15000	0.52	0	0.00%
8	NIDHI SHARMA	20000	0.69	0	20000	0.69	0	0.00%
9	RADHIKA SHARMA	15000	0.52	0	15000	0.52	0	0.00%
10	KALI CHARAN SHARMA	50500	1.74	0	50500	1.74	0	0.00%
11	SANTOSH MOTELS PRIVATE LIMITED	100000	3.45	0	100000	3.45	0	0.00%
12	PRABHAT COMMODITY BROKERS PRIVATE LIMITED	100000	3.45	0	100000	3.45	0	0.00%
13	PRABHAT FINANCIAL SERVICES LIMITED	12000	0.41	0	12000	0.41	0	0.00%
<b>Total</b>		<b>495000</b>	<b>17.07</b>	<b>0</b>	<b>495000</b>	<b>17.07</b>	<b>0</b>	<b>0.00%</b>

**(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)**

		<b>(NO CHANGE)</b>			
Sl. No.	Name of Shareholders	Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Siddarth Gupta</b>				
	At the beginning of the year	450000	15.52	450000	15.52
	At the end of the year	450000	15.52	450000	15.52
<b>2</b>	<b>Anshuman Kapur</b>				
	At the beginning of the year	200000	6.90	200000	6.90
	At the end of the year	200000	6.90	200000	6.90
<b>3</b>	<b>Rajshree Gattani</b>				

	At the beginning of the year	205000	7.06	205000	7.06
	At the end of the year	205000	7.06	205000	7.06
<b>4</b>	<b>Sonal Dimri</b>				
	At the beginning of the year	200000	6.90	200000	6.90
	At the end of the year	200000	6.90	200000	6.90
<b>5</b>	<b>Divya Agarwal</b>				
	At the beginning of the year	200000	6.90	200000	6.90
	At the end of the year	200000	6.90	200000	6.90
<b>6</b>	<b>Manoj Agarwal</b>				
	At the beginning of the year	200000	6.90	200000	6.90
	At the end of the year	200000	6.90	200000	6.90
<b>7</b>	<b>Deepak Kumar Agarwal</b>				
	At the beginning of the year	100000	3.45	100000	3.45
	At the end of the year	100000	3.45	100000	3.45
<b>8</b>	<b>Vinay Kumar Agarwal</b>				
	At the beginning of the year	100000	3.45	100000	3.45
	At the end of the year	100000	3.45	100000	3.45
<b>9</b>	<b>Shanti Lal Jain</b>				
	At the beginning of the year	50000	1.72	50000	1.72
	At the end of the year	50000	1.72	50000	1.72
<b>10</b>	<b>Murari Lal Kabra</b>				
	At the beginning of the year	200000	6.90	200000	6.90
	At the end of the year	200000	6.90	200000	6.90

**(v) Shareholding of Directors & KMP**

Sl. No.	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No of shares	% of total shares of the company
<b>1</b>	<b>Guljhari Lal Sharma</b>				
	At the beginning of the year	15000	1.50	15000	1.50
	At the end of the year	15000	1.50	15000	1.50

**(VI) INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil
<b>Change in Indebtedness during the financial year</b>				
Additions	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
<b>Net Change</b>	Nil	Nil	Nil	Nil
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil

## VII REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Chairman, Managing Director, Whole time director and/or Manager:

Sl.No	Particulars of Remuneration	Name of the Chairman/Managing Director/ Executive Director		Total Remuneration
		Mr. R.K. Kushwaha (Managing Director)	Mr. Parshant Malani (Chairman)	
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	240000.00	0	240000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.00	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission as % of profit others (specify)	0.00	0.00	0.00
5	Others, Sitting Fees of Chairman	0.00	0.00	0.00
	<b>Total (A)</b>	<b>240000.00</b>	<b>0.00</b>	<b>240000.00</b>

<b>Overall Ceiling as per the Act</b>	As per Section 197(3), read with Schedule V of Companies Act, 2013, In case of Absence or Inadequacy of Profit a Public limited Company having effective capital of negative or less than 5 crore then an amount not exceeding Rs. 30 lakhs can be paid as Remuneration (Yearly)
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**B. Remuneration to other directors:**

Sl.No	Particulars of Remuneration	Name of the Directors		Total Remuneration
<b>1</b>	Independent Directors	<b>Mr. Krishna Kamal Prasad</b>	<b>Mr. Amit Soni</b>	
	(a) Fee for attending board /committee meetings	Nil	Nil	Nil
	(b) Commission	Nil	Nil	Nil
	(c ) Others, please specify	Nil	Nil	Nil
	<b>Total (1)</b>	Nil	Nil	Nil
<b>2</b>	Other Non Executive Directors	<b>Ms. Vandana Sharma</b>	<b>Mr. Guljhari Lal Sharma</b>	Nil
	(a) Fee for attending board committee meetings	Nil	Nil	Nil
	(b) Commission	Nil	Nil	Nil
	(c ) Others, please specify.	Nil	Nil	Nil
	<b>Total (2)</b>	Nil	Nil	Nil
	<b>Total (B)=(1+2)</b>	Nil	Nil	Nil
<b>Total Managerial Remuneration</b>				<b>240000.00</b>
<b>Overall Ceiling as per the Act.</b>		As per Section 197(3), read with Schedule V of Companies Act, 2013, In case of Absence or Inadequacy of Profit a Public limited Company having effective capital of negative or less than 5 crore then an amount not exceeding Rs. 30 lakhs can be paid as Remuneration (Yearly)		

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
<b>1</b>	<b>Gross Salary</b>	<b>Company Secretary</b>	<b>CFO</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	360000	130000	490000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.00	0.00	0.00
	(c ) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00
<b>2</b>	<b>Stock Option</b>	0.00	0.00	0.00
<b>3</b>	<b>Sweat Equity</b>	0.00	0.00	0.00

4	Commission as % of profit others, specify	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00
	<b>Total</b>	<b>360000</b>	<b>130000</b>	<b>490000</b>

It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

**(VIII) PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act, 2013	Brief Description	Details of Penalty/Punishment/Compounding fees imposed	Authority (RD/NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

# Independent Auditor's Report

To the Members of  
**PRABHAT SECURITIES LIMITED**

## Report on the standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of **PRABHAT SECURITIES LIMITED** which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, (statement of changes in equity)<sup>i</sup> and statement of cash flows for the year ended ,and notes to the financial statements, including a summary of significant accounting policies and other explanatory

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (changes in equity)<sup>ii</sup> and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)<sup>iii</sup> and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal



financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

- a. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- b. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of
- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- d. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- e. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".<sup>iv</sup>
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.<sup>v</sup>

**For R.P.KHANDELWAL & ASSOCIATES**  
**Chartered Accountants**  
**Firm Regn.No 001795C**

**Sd/-**

**(CA RONAK KHANDELWAL) Partner**  
**UDIN:20423822AAAACL5226**  
**M. No.071002.**  
**Place:Kanpur**  
**Date:30/06/2020**

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**ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT:  
RE: PRABHAT SECURITIES LIMITED**

Referred to in paragraph (1) of our Audit Report of even date

- i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified at the end of financial year, accordance with this program, fixed assets were verified during the year which in our opinion this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets and no material discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) As company has no immovable properties as its fixed assets, comment as to whether the title deeds of Immovable properties are held in the name of company is not applicable.
- ii) The inventories of Shares have been physically verified by the management during the year.
- iii) The company has granted unsecured loans to the companies covered in the register maintained under section 189 of the Act, in respect of which:
  - a) The terms and conditions of the grant of such loans were, in opinion, prima facie, not prejudicial to the company's interest except in one case where no interest has been charged on the loan given to a company covered in the register maintained under section 189 of the Act.
  - b) Where the schedule of repayment of principal and payment of interest has been stipulated, the receipt of interest is regular.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act in respect of Loans and Investment made.
- v) According to the information and explanations given to us, the company has not accepted any deposits from the public. Therefore, the provisions of Clause (v), of the Para 3 of the Order are not applicable to the company.
- vi) In our opinion and according to the information and explanations given to us, the company is not required to maintain cost records pursuant to the Rules made by the Central Government u/s 148 (1) of the Companies Act 2013.
- vii) a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues payable including Income tax and other material statutory dues with the appropriate authority. According to the information and explanations given to us, no undisputed amounts payable in respect of any statutory dues including Income Tax were in arrears as at 31<sup>st</sup> March 2020 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the company, there are no material statutory dues including Income Tax which have not been deposited with the appropriate authorities on account of any dispute.
- viii) According to the information and explanations given to us, the company has not defaulted in repayment of Loan or borrowings to any financial institutions during the year. The

company has not borrowed from Government or any Debenture holder.

- ix) In our opinion and according to the information and explanations given to us, the company has not raised any money by way of initial public offer, further public offer (including debt instrument) and term loan, during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and bases on our examination of the records, the company has not paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V of the Act.
- xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3 xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the company, the transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement or shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 xv) of the Order is not applicable.
- xvi) According to the information and explanations given to us, the company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R.P KHANDELWAL & ASSOCIATES**

Chartered Accountants

FRN:001795C

**Sd/-**

**CA. Ronak Khandelwal**

Partner

Membership No.423822

UDIN:20423822AAAACL5226

**Place:** Jaipur

**Date:** 30.06.2020

## **ANNEXURE B TO INDEPENDENT AUDITOR’S REPORT:**

**Report on internal Financial controls under clause (i) of sub section (3) of section 143 of the Companies Act 2013, (The “Act”)**

We have audited the internal financial controls over financial reporting of **PRABHAT SECURITIES LIMITED** (the “Company”) as on March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statement of the company for the year ended on that date.

### **Management Responsibility for internal financial controls**

The company`s Management is responsible for establishing and maintaining internal financial control over financial reporting criteria established by the company considering the essential components of the internal control stated in the Guidance note on Audit of internal financial controls over financial reporting issued by ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company`s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the companies Act, 2013.

### **Auditor’s Responsibility**

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

Our audit involves performing procedure to obtain audit evidence about the adequacy of the internal financial control system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risk of the material misstatement of the financial statement, whether due to fraud or error.

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

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

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

company's internal financial control over financial reporting includes those policies and procedure that (1) pertains to the maintenance records that, in reasonable details, accurately and fairly reflect the transactions and dispositions of the assets of the company. (2) Provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditure of the company are being made only in accordance with the authorisations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

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

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

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal controls over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting issued by the Institute of Chartered Accountants of India.

### **For R.P KHANDELWAL & ASSOCIATES**

Chartered Accountants

FRN:001795C

**Sd/-**

**CA. Ronak Khandelwal**

Partner

Membership No.423822

UDIN:20423822AAAACL5226

**Place:** Jaipur

**Date:** 30.06.2020

**PRABHAT SECURITIES LIMITED**  
**"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR**  
**CIN: L22022UP1982PLC005759**

Balance Sheet as at 31 March, 2020

Particulars		Note No.	As at 31 March, 2020	As at 31 March, 2019
			Rs.	Rs.
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	<b>3</b>	2,90,00,070	2,90,00,070
	(b) Reserves and surplus	<b>4</b>	39,63,079	38,91,671
			3,29,63,149	3,28,91,741
<b>2</b>	<b>Share application money pending allotment</b>		-	-
<b>3</b>	<b>Non-current liabilities</b>			
	(a) Long-term borrowings	<b>5</b>	6,21,374	7,79,150
	(b) Deferred tax liabilities (net)	<b>6</b>	(43,398)	(68,623)
			5,77,976	7,10,527
<b>4</b>	<b>Current liabilities</b>			
	(a) Short Term Borrowings	<b>7</b>	-	-
	(b) Trade payables			2,60,000
	(A) total outstanding dues of micro enterprises and small enterprises		-	-
	(B) total outstanding dues of creditors other than micro enterprises and small enterprises	<b>8</b>	-	-
	(c) Other current liabilities	<b>9</b>	7,05,467	1,71,037
	(d) Short-term provisions	<b>10</b>	1,16,829	3,75,671
			8,22,296	8,06,708
	<b>TOTAL</b>		<b>3,43,63,421</b>	<b>3,44,08,976</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment			
	(i) Tangible Assets	<b>11</b>	6,39,348	8,63,189
	(b) Non-current Investments	<b>11A</b>	36,30,000	36,30,000
	(c) Long-term loans and advances	<b>12</b>	-	-
			42,69,348	44,93,189
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	<b>13</b>	11,620	11,600
	(b) Trade receivables	<b>14</b>	-	-
	(c) Cash and cash equivalents	<b>15</b>	33,564	1,16,251
	(d) Short-term loans and advances	<b>16</b>	3,00,48,889	2,97,87,936
			3,00,94,073	2,99,15,787
	<b>TOTAL</b>		<b>3,43,63,421</b>	<b>3,44,08,976</b>
	Accompanying notes are an integral part of the financial statements		-	0

In terms of our report of even date attached  
**FOR R P KHANDELWAL & ASSOCIATES**  
**C ARTEREDACCOUNTANTS**  
**FRN 001795C**

For and on behalf of the Board of Directors

sd/-  
**CA. R NAK KHANDELWAL (M.NO 423822)**  
**PARTNER**

sd/-  
**VIJ Y KUMAR JAIN**  
**(CHAIRMAN)**  
**DIN:- 08208856**

sd/-  
**RAMA KANT KUSHWAHA**  
**(MANAGING DIRECTOR)**  
**DIN:- 02237714**

PLACE : KANPUR  
Date : 30/06/2020

sd/-  
**DHARMENRDA KUMAR**  
**(C.F.O.)**

**PRABHAT SECURITIES LIMITED**  
**"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR**  
**CIN: L22022UP1982PLC005759**

**Statement of Profit and Loss for the year ended 31 March, 2020**

Particulars	Note No.	For the year ended 31 March, 2020	For the year ended 31 March, 2019
		Rs.	Rs.
<b>A CONTINUING OPERATIONS</b>			
1 Revenue from operations (gross)	17	23,02,844	30,82,870
<b>Revenue from operations (net)</b>		<b>23,02,844</b>	<b>30,82,870</b>
<b>2 Expenses</b>			
(a) Cost of Shares Purchased	18	-	-
(b) Employee benefits expense	19	12,50,000	13,76,000
(c) Changes in Inventory	20	-20	1,500
(d) Other expenses	21	5,77,297	8,08,727
<b>Total</b>		<b>18,27,277</b>	<b>21,86,227</b>
<b>3 Earnings before exceptional items, extraordinary items, interest, tax, depreciation and amortisation (EBITDA) (1 - 2)</b>		<b>4,75,567</b>	<b>8,96,643</b>
4 Finance costs	22	64,716	56,665
5 Depreciation and amortisation expense	11	2,49,341	2,63,098
6 Other income		-	-
<b>7 Profit / (Loss) before exceptional and</b>		<b>1,61,510</b>	<b>5,76,880</b>
8 Exceptional items		-	-
<b>9 Profit / (Loss) before extraordinary items and tax (7 ± 8)</b>		<b>1,61,510</b>	<b>5,76,880</b>
10 Extraordinary items		-	-
<b>11 Profit / (Loss) before tax (9 ± 10)</b>		<b>1,61,510</b>	<b>5,76,880</b>
<b>12 Tax expense:</b>			
(a) Current tax expense for current year (M.A.T.)		64,877	1,79,987
(b) Current tax expense relating to prior years		-	-
(c) Net current tax expense		64,877	1,79,987
(d) Deferred tax		25,225	23,686
		<b>90,102</b>	<b>2,03,673</b>
<b>13 Profit / (Loss) from continuing operations (11 ± 12)</b>		<b>71,408</b>	<b>3,73,207</b>
14 Transfer to Statutory reserve		32,300	74,642
<b>15 Profit / (Loss) for the year</b>		<b>39,108</b>	<b>2,98,566</b>

<b>16</b>	<b>Earnings per share (of Rs.10/- each):</b>			
	Basic			
	(i) Net Profit From Continuing operations		39,108	2,98,566
	(ii) Weighted No. of Equity Shares (No.)		29,00,007	29,00,007
	(iii) Earning Per Share From Continuing Operations		0.01	0.10
	<b>Accompanying notes are an integral part of the financial statements</b>			

In terms of our report of even date attached  
**FOR R.P KHANDELWAL & ASSOCIATES**  
Chartered Accountants  
FRN 001795C

For and on behalf of the Board of Directors

sd/-  
**CA. RONAK KHANDELWAL (M.NO 423822)**  
**PARTNER**

sd/-  
**VIJAY KUMAR JAIN**  
**(CHAIRMAN)**  
**DIN:- 08208856**

sd/-  
**RAMA KANT KUSHWAHA**  
**(MANAGING DIRECTOR)**  
**DIN:- 02237714**

PLACE : KANPUR  
Date : 30-06-2020

sd/-  
**DHARMENRDA KUMAR**  
**(C.F.O.)**



**PRABHAT SECURITIES LIMITED**  
**"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR**  
**CIN: L22022UP1982PLC005759**

**FUND FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2020**

PARTICULARS	FOR THE YEAR ENDED 31.03.2020	FOR THE YEAR ENDED 31.03.2019
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
PROFIT AFTER EXCEPTIONAL ITEMS AND BEFORE TAX		
Add: DEPRECIATION		
OPERATING PROFIT BEFORE WORKING CAPITAL CHARGES		
ADJUSTMENT FOR: DEFERRED TAX ASSETS	-260953	-2185206
VARIATION IN INVENTORIES	-25500	-1006050
CURRENT LIABILITIES		
TAX PAID DURING THE YEAR	<u>-286453</u>	<u>-3191256</u>
<b>CASH GENERATED FROM OPERATIONAL ACTIVITIES</b>	0	
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
	0	0
ADVANCES MADE	157776	779150
PURCHASE OF FIXED ASSETS	64877	179987
	<u>222653</u>	<u>959137</u>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<u>-128677</u>	<u>-1627913</u>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
	116251	1753164
NET PROCEEDS FROM FIXED ASSETS		
NET PROCEEDS FROM SHORT TERM BORROWINGS		
TAX [PAID		
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVILANTS</b>		
CASH AND CASH EQUIVALANTS AT 1st APRIL 2019		
39108	576880	
249341	263098	
<u>288449</u>	<u>839978</u>	
-25225	0	
-20	1500	
15588	54285	
64877	179987	
<u>55220</u>	<u>235772</u>	
<u>343669</u>	<u>604206</u>	

CASH AND CASH EQUIVALANTS AT 31st MARCH 2020

33563

116251

**FOR R.P KHANDELWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
FRN 001795C

For and on behalf of the Board of Directors

VIJAY KUMAR JAIN  
(CHAIRMAN)  
DIN: 8208856

RAMA KANT KUSHWAHA  
(M. DIRECTOR)  
DIN: 02237714

**CA. RONAK KHANDELWAL (M.NO 423822)**  
PARTNER

PLACE : Kanpur  
Date : 30-06-2020

**DHARMENRDA KUMAR**  
**(C.F.O.)**

**Notes forming part of the financial statements**

Note	Particulars														
<b>1</b>	<b>Corporate information</b> The Company is working as Non-Banking Financial Company (NBFC) and the Company has Interest Income along with Income from dealing in shares. The registered office of the company is situated at "Satyam", 4/276, Parwati Bagla Road, Kanpur.														
<b>2</b>	<b>Significant accounting policies</b> 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.														
<b>2.1</b>	<b>Basis of accounting and preparation of financial statements</b> 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, 2015 (as amended) and the relevant provisions of the Companies Act, 2013. 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 except where otherwise stated.														
<b>2.2</b>	<b>Use of estimates</b> 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 to materialise.														
<b>2.3</b>	<b>Inventories</b> 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, to the extent market rate available.														
<b>2.4</b>	<b>Depreciation and amortisation</b> Depreciation has been charged over the estimated useful life of a fixed assets on straight line basis as per the rates prescribed and in the manner specified in Part C of Schedule - II of the Companies Act, 2013. The useful lives of the groups of fixed assets are given below:-  <table style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;"><u>Fixed Assets</u></th> <th style="text-align: left;"><u>Useful Life</u></th> </tr> </thead> <tbody> <tr> <td>1) Computer</td> <td>3 years</td> </tr> <tr> <td>2) EPBX</td> <td>10 years</td> </tr> <tr> <td>3) Air Conditioner</td> <td>10 years</td> </tr> <tr> <td>4) Car</td> <td>8 years</td> </tr> <tr> <td>5) Scooter</td> <td>10 years</td> </tr> <tr> <td>6) Mobile</td> <td>5 years</td> </tr> </tbody> </table>	<u>Fixed Assets</u>	<u>Useful Life</u>	1) Computer	3 years	2) EPBX	10 years	3) Air Conditioner	10 years	4) Car	8 years	5) Scooter	10 years	6) Mobile	5 years
<u>Fixed Assets</u>	<u>Useful Life</u>														
1) Computer	3 years														
2) EPBX	10 years														
3) Air Conditioner	10 years														
4) Car	8 years														
5) Scooter	10 years														
6) Mobile	5 years														
<b>2.5</b>	<b>Revenue recognition</b> Interest income has been recognised on the basis accrual of interest.														
<b>2.6</b>	<b>Tangible fixed assets</b> 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.														
<b>2.7</b>	<b>Earnings per share</b> 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.														
<b>2.8</b>	<b>Taxes on income</b> 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.  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 reasonable 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 set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.														
<b>2.9</b>	<b>Impairment of assets</b> 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.														
<b>3</b>	<b>Provisions and contingencies</b> 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.														

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

**Notes forming part of the financial statements**

S.N.	Particulars	Current Year As At 31.03.2020	Previous Year As At 31.03.2019
<b>1</b>	<b><u>Contingent Liabilities:-</u></b>		
	i) Estimated Amount of Contract on Capital Account remaining to be executed and provided for	NIL	NIL
	ii) Other Contingent Liabilities	NIL	NIL
<b>2</b>	Director's Remuneration	2,40,000.00	2,60,000.00
<b>3</b>	<b><u>AUDITOR'S REMUNERATION:-</u></b>		
	Audit fees and fees for other Services	29,500.00	29,500.00
<b>4</b>	The balances of Loans and Advances, Current Liabilities & Provisions and other personal accounts are subject to confirmation and reconciliation, if any		
<b>5</b>	At the year end, the company has Inventories of Shares, amounting to Rs.11600.00, comprising investment in Equity Shares of Four companies, But out of Four, the company has not in possession of equity shares of two companies, amounting to Rs. 8750.00 Still these Equity Shares are showing in Stock in Trade as held in Company's possession. There is no details of these missing shares.		
<b>6</b>	Quoted investments of Rs. 505000.00 held by the company are stated at cost. The market value of these investments as at 31st March 2020 stands at Rs. NIL as there is no rate available as on 31st March 2020. Provision for decline in the market value has not been made as there was no market rate available.		
<b>7</b>	None of the employees has completed the qualifying years of services for entitlement of gratuity and hence no provision has been made for Gratuity		
<b>8</b>	<b><u>The Deferred Tax Liability as at 31.03.2019 comprises of the following:-</u></b>		
		<b>As at 31.3.2020</b>	<b>Current Year charge</b>
		<b>As at 31.03.2019</b>	
	<b><u>Deferred Tax Assets:-</u></b>		
	Related to Fixed Assets	-43398.00	25225.00
		-43398.00	-68623.00
<b>9</b>	Earning per share are calculated by dividing net profit/ (loss) for the year attributable to equity share holders by No. of equity shares outstanding during the year. As there is no change in the equity capital during the year, the diluted earning per share		

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

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

**Note 3 Share capital**

Particulars	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
(a) Authorised Equity shares of Rs.10 each with voting rights	5500000	5,50,00,000.00	5500000	5,50,00,000.00
(b) Issued, Subscribed and Fully Paid up Equity shares of Rs. 10 each with voting rights	2900007	2,90,00,070.00	2900007	2,90,00,070.00
<b>Total</b>	<b>2900007</b>	<b>2,90,00,070.00</b>	<b>2900007</b>	<b>2,90,00,070.00</b>

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, 2019			
- Number of shares	29,00,007	-	29,00,007
- Amount (Rs.)	#####	-	2,90,00,070.00
Year ended 31 March, 2018			
- Number of shares	2900007	-	29,00,007
- Amount (Rs.)	#####	-	2,90,00,070.00

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

Class of shares / Name of shareholder	As at 31 March, 2020		As at 31 March, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
<b>Equity shares with voting rights</b>				
MANOJ AGARWAL	200000	6.89	200000	6.89
DIVYA AGARWAL	200000	6.89	200000	6.89
ANHUMAN KAPUR	200000	6.89	200000	6.89
SONALI DIMRI	200000	6.89	200000	6.89
SIDDARTH GUPTA	450000	15.52	450000	15.52
RAJSHREE GATTANI	Nil	Nil	205000	7.06

**Note 4 Reserves and surplus**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
(c) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	33,46,139.01	30,47,573.26
Add: Profit / (Loss) for the year	39,108.00	2,98,565.75
Less: Depreciation relating to previous year	<b>33,85,247.01</b>	<b>33,46,139.01</b>
Closing balance		
(d) General Reserve	0.00	-
statutory reserve as per RBI Norms	5,77,832.18	5,45,532.18
<b>Total</b>	<b>39,63,079.19</b>	<b>38,91,671.19</b>

**Note 5 Long-term borrowings**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Term loans		
From banks/FI	6,21,374.00	7,79,150.00

Secured -	-	-
From other parties		
Unsecured	6,21,374.00	7,79,150.00
<b>Total</b>		

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, 2020		As at 31 March, 2019	
		Secured	Unsecured	Secured	Unsecured
		Rs.	Rs.	Rs.	Rs.
<u>Term loans from banks/FI:</u>					
Auto loan from ICICI Bank		621374.00	0.00	779150.00	0.00
Total - Term loans from banks/Fis		621374.00	0.00	779150.00	0.00
<u>Term loans from other parties:</u>					
Unsecured Loans:					
From Body Corporate		0.00	0.00	0.00	0.00
Total - Term loans from other parties		-	-	-	-

(ii) The Company has not defaulted in repayment of loans and interest.

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

**Notes forming part of the financial statements**

**Note 6 Disclosures under Accounting Standards**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
<b>Opening Deferred tax Liability/(Asset)</b>	68,623	92,309
<u>Tax effect of items constituting deferred tax liability</u>		
On diff. between dep. As per Co.'s Act and as per Income Tax Act/	87,281	23,686
On Absorption of Unabsorbed Depreciation during the year and Due to Fixed Assets	-	-
Others		
Tax effect of items constituting deferred tax liability	87,281	23,686
<u>Tax effect of items constituting deferred tax assets</u>		
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	87,281	23,686
<b>Closing deferred tax liability/(Asset)</b>	<b>-18,658</b>	<b>68,623</b>

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.



**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, 2020	As at 31 March, 2019
	Unsecured	Secured
i) Loan Repayable on demand from Banks	0	
ii) Other Loan and Advances : From Body Corporates Prabhat Stock Sh. Brokers (P) Ltd.	-	-
	-	0
	-	0.00

**Note 8 Trade payables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
<u>Trade payables:</u>		
total outstanding dues of micro enterprises and small	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	-	2,60,000.00
<b>Total</b>	-	<b>2,60,000.00</b>

**Note 9 Other current liabilities**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Current maturities of long-term debt (Refer Note (i) below)	-	-
(b) Book Overdraft (Corporation Bank SCRW A/c)	-	-
(d) Other payables		
(i) Deposit from Employees	-	-
(ii) Advances from customers	-	-
(iii) <u>Other Sundry Liabilities</u>	-	-
Audit Fee Payable	88,159	58,659
Electricity Payable	-	2,025
Telephone Expenses	-	353
Salary Payable	3,50,000	1,10,000
Other exp. payable	1,25,308	-
Ashok Kumar Sharma ( Rent)	46,000	-
Santosh Devi Sharma (Rent)	96,000	-
<b>Total</b>	<b>7,05,467</b>	<b>1,71,037</b>

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, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Term loans		
From banks /Fis		
<u>Secured</u>	-	-
From Other Parties	-	-
<u>Unsecured</u>		
<b>Total</b>	-	-

**Note 10 Short-term provisions**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Provision for tax : for the A.Y. 2018-19 & 2019-20	1,16,829	3,75,671
<b>Total</b>	<b>1,16,829</b>	<b>3,75,671</b>

PRABHAT SECURITIES LIMITED

"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR

Notes forming part of the financial statements

Note 11 Fixed assets

A.	Tangible assets	Useful Life Of Assets	Gross block				Accumulated depreciation and impairment				Net block	
			Balance as at 1 April, 2019	Additions	Other adjustments/Sale	Balance as at 31 March, 2020	Balance as at 1 April, 2019	Depreciation / amortisation expense for the year	Adjustments	Balance as at 31 March, 2020	Balance as at 31 March, 2020	Balance as at 31 March, 2019
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
1	AIR CONDITIONER	10	58,000	-	-	58,000	55,100	-	-	55,100	2,900	2,900
2	EPABX	10	19,500	-	-	19,500	18,702	111	-	18,813	687	798
3	UPS 5KV	5	33,000	-	-	33,000	22,656	1,872	-	24,528	8,472	10,344
4	SCOOTER	10	45,051	-	-	45,051	42,243	555	-	42,798	2,253	2,808
6	VEHICLE (CAR)	8	20,05,389	-	-	20,05,389	12,04,505	2,36,499	-	14,41,004	5,64,385	8,00,884
6	COMPUTER	3	2,75,009	25,500	-	3,00,509	2,61,259	4,708	-	2,65,967	34,542	13,750
7	MOBILE	3.00	62,000	-	-	62,000	30,295	5,596	-	35,891	26,109	31,705
<b>Total</b>			<b>24,97,949</b>	<b>25,500</b>	<b>-</b>	<b>25,23,449</b>	<b>16,34,760</b>	<b>2,49,341</b>		<b>18,84,101</b>	<b>6,39,348</b>	<b>8,63,189</b>
<b>Previous year</b>			<b>14,29,899</b>	<b>10,06,050</b>	<b>-</b>	<b>24,97,949</b>	<b>13,71,662</b>	<b>2,63,098</b>		<b>16,34,760</b>	<b>8,63,189</b>	<b>58,237</b>

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

**Note 11A INVESTMENTS**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
<b>QUOTED SHARES:</b>		
50000 EQ. SHARES OF RAJENDRA FISCAL SERVICES LTD.	500000	500000
500 EQ. SHARES OF SUSHILA PULP & PAPERS LIMITED	5000	5000
<b>UNQUOTED SHARES</b>		
12500 EQ. SHARES OF SANTOSH HOLDINGS PVT. LTD.	125000	125000
300000 EQ. SHARES OF PRABHAT FINANCIAL SERV. LTD.	3000000	3000000
	<b>3630000</b>	<b>3630000</b>

**Note 12 Long-term loans and advances**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Security deposits With : Unsecured, considered good :		
(b) Due from Director	-	-
	-	-

**Note 13 Inventories**

(At lower of cost and net realisable value)

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Shares in Trade	11,620	11,600
<b>Total</b>	<b>11,620</b>	<b>11,600</b>

**Note 14 Trade receivables**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	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	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note 15 Cash and cash equivalents**

Particulars	As at 31 March, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Cash on hand:	25,427	25,596
(b) Balances with banks	-	-
(i) In current accounts: with HDFC Bank	8,137	90,655
<b>Total</b>	<b>33,564</b>	<b>1,16,251</b>

**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, 2020	As at 31 March, 2019
	Rs.	Rs.
(a) Loans and advances to related parties		
<u>Unsecured, considered good</u>	-	-
(b) Prepaid expenses - Unsecured, considered good		
Prepaid CIBIL Anual Exp.	1,972	1,972
Prepaid Insurance	5,109	7,275
	7,081	9,247
(c) Balances with government authorities -sd with electricity	11,727	11,727
<u>Unsecured, considered good</u>		
Tax Deducted at Sources F.Y. 18-19	2,35,666	3,07,219
(d) Others (specify nature)		
<u>Unsecured, considered good</u>		
Loan to Others :		
Bhagwati Enterprises	13,19,233	
CMK Developers Pvt. Ltd.	-	57,68,791
Amber Home Interior pvtl td	68,60,084	
Jawan Minning & Construction Eq. Pvt. Ltd	89,55,762	89,55,762
Govind Mercantile Pvt Ltd	-	-
solmitra Power steel Pvt ltd	16,13,771	
Manoj Agarwal	5,00,000	-
Neo Exotic Granite LLP	-	50,61,200
Wollmine India Private Limited	1,75,210	1,60,818
Govind Mercantile Pvt. Ltd.	59,55,153	54,63,442
VKS Fincap Pvt. Ltd.	44,15,202	40,49,730
	3,00,48,889	2,94,59,743
<b>Total</b>	<b>3,00,48,889</b>	<b>2,97,87,936</b>

Notes forming part of the financial statements

**Note 17 Revenue from operations**

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
		Rs.	Rs.
(a)	Sale of products (Refer Note (i) below)	-	-
(b)	Income From Financing Activities (Refer Note (ii) below)	23,02,844	30,82,870
	<b>Total</b>	<b>23,02,844</b>	<b>30,82,870</b>

Note	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
		Rs.	Rs.
(i)	Sale of products comprises : Equity Shares & Securities	-	-
	<b>Total - Sale of Products</b>	-	-
(ii)	Income From Financing Activities comprises : Insurance Claim/Interest on I T Refund	28,478	10,650
	Interest received from Loans & Advances given	22,74,366	30,72,220
	<b>Total - Sale of services</b>	<b>23,02,844</b>	<b>30,82,870</b>

**Note 18 Cost of materials consumed**

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
		Rs.	Rs.
	Opening stock; Equity & Shares	-	-
	Add: Purchases: Equity & Shares	-	-
	Add: Service tax on Purchase	-	-
	<b>Total</b>	-	-
	Less: Closing stock : Equity Shares	-	-
	<b>Cost of Shares consumed/Sold</b>	-	-
	Shares consumed/Sold comprises: Equity Shares	-	-
	<b>Total</b>	-	-

**Note 19 Employee benefits expense**

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
		Rs.	Rs.
	Staff Welfare	-	-
	Salary to Staff	10,10,000	11,16,000
	Salary to Managing Director	2,40,000	2,60,000
	<b>Total</b>	<b>12,50,000</b>	<b>13,76,000</b>

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

	Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
		Rs.	Rs.
	Opening Stock of Shares	11,600	13,100
		<b>11,600</b>	<b>13,100</b>
	Closing Stock of Shares	11,620	11,600
		<b>11,620</b>	<b>11,600</b>

Changes in Inventories	20	-1,500
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**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, 2020	For the year ended 31 March, 2019
	Rs.	Rs.
Advertising Expense	58095	56257
Computer Software Exp.	-	-
Electricity Expenses	39883	68746
Fees & Subscription (Annexure "A")	141010	188416
Insurance	26746	24849
Misc. Expenses	-	-
Postage & Telegram	11180	8370
Printing & Stationery	1560	3382
Professional Charges	12500	6225
Rent, Rates And Taxes	192000	384000
Repair & Maintenance	33270	11253
ROC Filling Fees	5400	4700
Telephone Expense	3552	4519
Travelling & Conveyance	15101	11010
Payments to auditors (Refer Note (i) below)	37000	37000
<b>Total</b>	<b>577297</b>	<b>808727</b>

**Notes:**

Particulars	For the year ended 31 March, 2020	For the year ended 31 March, 2019
	Rs.	Rs.
(i) Payments to the auditors comprises		
As auditors - statutory audit	29500	29500
For Other Services (Quarterly Audit)	-	0
For Sectorial Audit	7500	7500
<b>Total</b>	<b>37000</b>	<b>37000</b>
(ii) Details of Prior period items (net)		
Prior period expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**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, 2020	For the year ended 31 March, 2019
	Rs.	Rs.
<b>(a)</b> Interest expense on:		
<b>(i)</b> Borrowings From Banks	-	-
<b>(ii)</b> Others		
Interest paid	64,716	56,429
Interest paid on TDS	-	-
<b>(b)</b> Other borrowing costs		
Bank Charges and Commission	-	236
<b>Total</b>	<b>64,716</b>	<b>56,665</b>



Notes forming part of the financial statements

Note 24 Disclosures under Accounting Standards

Particulars				
<b>Related party transactions</b>				
<b>Details of related parties:</b>				
Description of relationship	Names of related parties			
Key Management Personnel (KMP)	1)Guljhari Lal Sharma 2) Rama Kant Kushwaha 3) Vandana Sharma 4) Dharmendra Kumar			
Relatives of KMP	1) Smt. Santosh Sharma (Wife of KMP) 2) Vimal Kumar Sharma (Son of KMP)			
Company in which KMP and relatives of KMP can exercise significant influence	1) Prabhat Financial Services Ltd. 2) Prabhat Stock Share Brokers P. Ltd. 3) G.L.Sharma Stock Share Brokers P. Ltd. 4) Prabhat Commodity Brokers (P) Ltd. 5) VKS Fincap Pvt. Ltd. 6) Wollmine India (P). Ltd.			
Note: Related parties have been identified by the Management.				
<b>Details of related party transactions during the year ended 31 March, 2020 and balances outstanding as at 31 March, 2020</b>				
Particulars	KMP	Relatives of KMP	Entities in which KMP / relatives of KMP have significant influence	Total
Remuneration Paid	240000			240000
Rent Paid		192000		192000
Intt. Received *			422074	422074
*Intrest Recd:Wollmine India(P)Ltd Rs. 15992.00 VKS Fincap Pvt.Ltd. Rs. 406082.00				

Notes forming part of the financial statements

Note 25 Additional information to the financial statements

Note	Particulars	As at 31 March, 2020	As at 31 March, 2019
		Rs.	Rs.
25.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(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
		<b>As at 31 March, 2020</b>	<b>As at 31 March, 2019</b>
(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
25.2	<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b> 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.		
25.3	<b>Value of imports calculated on CIF basis :</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
		Rs.	Rs.
	Raw materials	Nil	Nil
	Components	Nil	Nil
	Spare parts	Nil	Nil
	Capital goods	Nil	Nil
25.4	<b>Expenditure in foreign currency :</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
		Rs.	Rs.
	Royalty	Nil	Nil
	Know-how	Nil	Nil
	Professional and consultation fees	Nil	Nil
	Interest	Nil	Nil
	Other matters	Nil	Nil
25.5	<b>Details of consumption of imported and indigenous items</b>	<b>For the year ended 31 March, 2020</b>	
		Rs.	%
	<u>Imported (Rs. In Lacs)</u>		
	Raw materials	Nil	Nil
	Components	Nil	Nil
	Spare parts	Nil	Nil
	<b>Total</b>	Nil	Nil
<b>PRABHAT SECURITIES LIMITED</b>			
<b>"SATYAM", 4/276, PARWATI BAGLA ROAD, KANPUR</b>			
Note 25 continued			
	<u>Indigenous</u>	<b>For the year ended 31 March, 2020</b>	
		Rs.	%
	Raw Materials (Rs. In Lacs)	Nil	Nil
	Consumables	Nil	Nil
	Packing Materials	Nil	Nil
	<b>Total</b>	Nil	Nil
Note: Figures / percentages in brackets relates to the previous year			
25.6	<b>Earnings in foreign exchange : (Rs. In Lacs)</b>	<b>For the year ended 31 March, 2020</b>	<b>For the year ended 31 March, 2019</b>
		Rs.	Rs.
	Export of goods calculated on FOB basis	Nil	Nil
	Royalty, know-how, professional and consultation fees	Nil	Nil
	Interest and dividend	Nil	Nil
	Other income	Nil	Nil
25.7	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 31.03.2020 except those mentioned in these notes on account		

## **Independent Auditor's Report**

To the Members of **PRABHAT SECURITIES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying Consolidated Financial Statements of **PRABHAT SECURITIES LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, the Statement of Profit and Loss and the Statement of Cash Flow for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the companies act, 2013("the act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020 and its Profits and its cash flows for the year ended on that date.

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

### **Information other than the Financial Statements and Auditors' Report Thereon**

The company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report, Management Discussion and Analysis, Report on Corporate Governance and other Annexure to the Directors' report but does not include the Consolidated Financial Statements and our auditors' report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise

appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. The other information is not available as on date of signing the report, and hence we do not report on the information other than the Consolidated Financial Statements and auditor's report thereon.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Consolidated 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 principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of directors are also responsible for overseeing the company's financial reporting process.

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those

risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.'

Materiality is the magnitude of misstatement in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by the Ministry of Corporate affairs, Section 164(2) of the Companies Act, 2013 pertaining to disqualification of Directors, is not applicable to the Government Company.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in **Annexure "B"**
  - (g) In pursuance to the Notification No. G.S.R 463(E) dated 05-06-2015 issued by the Ministry of Corporate affairs, Section 197(16) of the Companies Act, 2013 pertaining to Managerial Remuneration, is not applicable to the Company.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements for the year ended 31<sup>st</sup> March, 2020 under Notes on Accounts .
    - b. The Company did not have any long - term contracts including derivative contracts for which there were any material force able losses.

- c. The Company is not required to transfer any amount to the Investor Education and Protection Fund.

**FOR: R.P.Khandelwal & Associates**  
**Chartered Accountants**  
**FRN No. 001795C**

**(RONAK KHANDELWAL, Partner)**  
**M. no.:- 423822**  
**UDIN:20423822AAAADA7978**  
**Place: Jaipur**  
**Date: 16-09-2020**

## Annexure 'A'

### **The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.**

We report that:

#### **i. In respect of Company’s Fixed Asset**

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
  - b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
  - c. The title deeds of immovable properties are held in the name of the Company.
- ii. In respect of loans, secured or unsecured granted by the Company to companies, firms or other parties in the register maintained under section 189 of the companies Act.
- a. According to the information and explanations given to us, the Company has not granted any loan to the parties listed in the register maintained under section 189 of the Act,
  - b. The Company has also given advances in the nature of loans of its employees which are recovered regularly together with interest if applicable as per Company policy.
- iii. In respect of loans, investments, guarantees, and security, provisions of Section 185 and 186 of the Companies Act, 2013 have been complied with.
- iv. The Company has not accepted any deposits from the public covered under Sections 73 to 76 of the Companies Act, 2013.
- v. As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.
- vi. vi.
- a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2019 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty,



value added tax and cess whichever applicable, which have not been deposited on account of any disputes.

- vii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the Company.
- viii. Based on our audit procedures and according to the information given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- ix. According to the information and explanations given to us, we report that no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- x. According to the information and explanations given to us ,we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
- xi. According to the information and explanations given to us,all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- xii. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xiii. Company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

**FOR: R.P.Khandelwal & Associates**  
**Chartered Accountants**  
**FRN No. 001795C**

**(Ronak Khandelwal, Partner)**  
**M. no.:- 423822**  
**UDIN:20423822AAAADA7978**  
**Place: Jaipur**  
**Date: 16-09-2020**

## **Annexure 'B'**

### ***Report on Internal Financial Controls Over Financial Reporting***

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

We have audited the internal financial controls over financial reporting of PRABHAT SECURITIES LIMITED (“the Company”) as of March 31, 2020 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

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

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

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud

or error.

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

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

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

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

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

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

### **Qualified Opinion**

In our opinion, on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

**FOR: R.P.Khandelwal & Associates**  
**Chartered Accountants**  
**FRN No. 001795C**

**(Ronak .Khandelwal, Partner)**  
**M. no.:- 423822**  
**UDIN:20423822AAAADA7978**  
**Place: Jaipur**  
**Date: 16-09-2020**

**PRABHAT SECURITIES LIMITED**

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020**

(Figures in Rs.)

PARTICULARS		NOTES	As at 31.03.2020	As at 31.03.2019
<b>I</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>(1) Shareholders' Fund:</b>			
	(a) Share Capital	1	4,20,09,070.00	4,20,09,070
	(b) Reserve & Surplus	2	<u>9,33,22,658.45</u>	<u>13,70,01,024.78</u>
	<b>(2) Minority Interest</b>		14,71,736.74	15,65,204.42
	<b>(3) Non Current Liabilities:</b>			
	Long Term Borrowings	3	6,21,374.00	11,38,037.00
	<b>(4) Current Liabilities</b>			
	(a.) Short Term Borrowings	4	2,99,50,000.00	2,80,50,000.00
	(b). Trade Payable	5	4,86,29,290.00	2,37,46,694.00
	(c) Other Current Liabilities	6	46,96,692.00	39,79,395.00
	(d) Short Term Provision	7	1,16,829.00	4,62,871.00
	<b>TOTAL (Rs.)</b>		<b><u>22,08,17,650.00</u></b>	<b><u>19,59,43,226.00</u></b>
<b>II</b>	<b><u>ASSETS</u></b>			
	<b>(1) Non-Current Assets</b>			
	<b>(a) Fixed Assets:</b>			
	-Tangible Assets	8	25,64,910.00	31,53,725.00
	(b) Non Current Investment	9	5,27,87,879.00	4,63,66,491.00
	(c) Deferred Tax Assets	10	7,39,147.00	6,39,679.00
	(d) Long Term Loans & Advances	11	99,19,082.00	1,13,03,000.00
	<b>2. Current Assets</b>			
	(a) Trade Receivable	12	59,59,536.00	2,37,65,888.00
	(b) Cash and Cash equivalents	13	11,06,64,306.00	7,32,41,074.00
	(c) Short Term Loans and Advances	14	3,35,79,421.00	3,49,81,664.00
	(d) Other Current Assets	15	25,28,874.00	24,80,105.00
	(e) Inventories		20,74,495.00	11,600.00
	<b>TOTAL (Rs.)</b>		<b><u>22,08,17,650.00</u></b>	<b><u>19,59,43,226.00</u></b>

Significant Accounting Policies 22A

Additional Notes on Accounts 22B

As per our Separate report of even date attached

For **R.P KHANDELWAL & ASSOCIATES**

**Jain CHARTERED ACCOUNTANTS**

SD/-

**RONAK KHANDELWAL**

**PARTNER**

**UDIN:20423822AAAADA7978**

PLACE: JAIPUR

M. No. 423822

DATE: 16.09.2020

FRN 001795C

sd/-

**(Vijay Kumar**

**Director**

DIN:-8208856

sd/-

**(Rama Kant Kushwaha)**

**Director**

DIN:- 02237714

<b>PRABHAT SECURITIES LIMITED</b>		
<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020</b>		
<b>PARTICULARS</b>	<b>2019-20</b>	<b>2018-19</b>
	<b>Amount (Rs.)</b>	<b>Amount (Rs.)</b>
<b>A. CASH FLOW FROM OPERATION ACTIVITIES :</b>		
Net Profit before tax & extraordinary items	(18,80,523.00)	5,73,414.00
<b>Adjustments for :-</b>		
Depreciation	7,79,384.00	9,87,798.00
Income from sale of Mutual fund units	(3,53,599.00)	(2,08,494.00)
Adjustment for deferred tax	99,468.00	-
Finance cost		21,022.00
Interest Received	(2,19,052.00)	(1,60,829.00)
Dividend Income	(15,800.00)	(150.00)
Dividend From Mutual Funds	(43,857.00)	(49,655.00)
<b>Operating Profit before Working Capital Changes</b>	<b>(16,33,979.00)</b>	<b>11,63,106.00</b>
<b>Adjustments for :-</b>		
<b>Increase in other liabilities</b>	-	
<b>decrease in other advances</b>	13,65,757.00	-
<b>Increase in inventories</b>	(20,62,895.00)	-
Trade and other receivables	1,78,06,352.00	1,18,97,242.00
increase/ Decrease in provisions	3,71,255.00	-
Trade and other Payables	2,48,82,596.00	(62,82,658.00)
<b>Cash generated from Operations</b>	<b>4,23,63,065.00</b>	<b>56,14,584.00</b>
Minority interest	(93,468.00)	-
Direct tax paid/refund	-	(7,85,214.00)
<b>Cash Flow before extraordinary items</b>	<b>4,06,35,618.00</b>	<b>59,92,476.00</b>
Extra ordinary items:-	-	-
<b>Net cash from operating activities</b>	<b>4,06,35,618.00</b>	<b>31,75,168.00</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(1,90,569.00)	(10,85,050.00)
Income From Sale of Mutual fund Units	3,53,599.00	2,08,494.00
Interest Received	2,19,052.00	1,60,829.00
Income From Sale of Car	-	-
Dividend Received	15,800.00	150.00
Dividend From Mutual Funds	43,857.00	49,655.00
Increase in borrowings	13,83,337.00	(24,35,206.00)
Cash Advance and loans received back	-	-
Investment purchased	(64,21,380.00)	1.00
<b>Net cash used in investing activities</b>	<b>(45,96,304.00)</b>	<b>(31,01,127.00)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Refund against Membership Fee (BSE/NSE)	-	-
Finance cost	-	(21,022.00)
decrease in Loans and advances given to parties/ Companies	13,83,918.00	1,06,38,046.00
Other Inflows /(Outflows) of cash	-	-
<b>Net cash used in financing activities</b>	<b>13,83,918.00</b>	<b>1,06,17,024.00</b>
Net increase in cash and cash equivalents(A+B+C)	3,74,23,232.00	1,35,08,371.00
Cash and cash equivalents(Opening balance)	7,32,41,074.00	6,62,26,476.00
Cash and cash equivalents(Closing balance)	11,06,64,306.00	7,97,34,847.00

Accompanying Notes are an integral part of the Financial Statement.

As per our Separate report of even date attached

**For R.P KHANDELWAL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

SD/-  
RONAK KHANDELWAL  
PARTNER

**UDIN:20423822AAAADA7978**

PLACE: JAIPUR  
DATE: 16/09/2020

M. No. 423822  
FRN 001795C

**(Vijay Kumar Jain)**  
Sd/-  
Director  
DIN:-8208856  
**(Rama Kant Kushwaha)**

**Director**  
DIN:-02237714

**PRABHAT SECURITIES LIMITED**

**Notes Annexed to and Forming Part of the Consolidated Financial Statement as at 31.03.2020**

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**Note-1**

PARTICULARS	As at 31.03.2020	As at 31.03.2019
<b>Share Capital:</b>		
<b>Authorised:</b>		
5500000 (P.Y.55000000) Equity Shares of Rs. 10/- each	5,50,00,000.00	5,50,00,000.00
<b>Issued, Subscribed and Paid Up</b>		
4200907(P.Y.4200907)Equity Shares of Rs. 10/- each fully paid up	4,20,09,070.00	4,20,09,070.00
<b>Total Rs.</b>	<b>4,20,09,070.00</b>	<b>4,20,09,070.00</b>

**Rights , preferences and restrictions attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 10 each. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding

**Shares in the company held by each shareholder holding more than 5% Shares:**

Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
	No.of Shares	Percentage	No.of Shares	Percentage
Manoj Agarwal	2,00,000.00	6.89%	2,00,000.00	6.89%
Divya Agarwal	2,00,000.00	6.89%	2,00,000.00	6.89%
Anhuman kapur	2,00,000.00	6.89%	2,00,000.00	6.89%
Sonali Dimri	2,00,000.00	6.89%	2,00,000.00	6.89%
Siddarth Gupta	4,50,000.00	15.52%	4,50,000.00	15.52%
Rajshree Gattani	0	0	205000	7.06%
Prabhat Securities Ltd.	3,00,000.00	23.06%	3,00,000.00	23.06%
Smt. Archana Kabra	1,90,100.00	14.61%	1,90,100.00	14.61%
Shri Guljhari Lal Sharma	1,20,000.00	9.22%	1,20,000.00	9.22%
A. H. Stock Broking Co. Pvt. Ltd.	95,000.00	7.30%	95,000.00	7.30%
Shri Sri Prakash Kabra	75,000.00	5.77%	75,000.00	5.77%

**Note- 2**

**Reserve and Surplus:**

**Profit and Loss Account**

Opening Balance	9,25,25,059.0		9,23,00,067.33	
Add: Profit for the Year	(17,01,596.33)		2,24,991.66	
Add: Share in post acquisition profit in subsidiary	-		-	
	9,08,23,462.7		9,25,25,058.99	
Less:- Transfer to General Reserve	-	9,08,23,462.66	-	9,25,25,058.99
<b>Capital Reserve</b>				
Opening Balance	8,16,764.28		8,16,764.28	
Add:- On account of acquisition of Shares	-	8,16,764.28	-	8,16,764.28
<b>General Reserve</b>				
Opening Balance	11,04,599.33		11,04,599.33	
Add:-Transfer from Surplus	5,77,832.18	16,82,431.51	5,45,532.18	16,50,131.51
<b>Total Rs.</b>		<b>9,33,22,658.45</b>		<b>9,49,91,954.78</b>

**Note-3**

**Non Current Liabilities**

**Long Term Borrowings:**

**Secured Loan**

	Holding	Subsidiary		
From HDFC Bank Ltd. against Car repayable in 60 months and first installment due on 07.01.2016	0.00	-	0.00	358887.00
Auto Loan from ICICI Bank			621374.00	779150.00
<b>Total Rs.</b>			<b>6,21,374.00</b>	<b>11,38,037.00</b>

**Note-4**

**Short Term Borrowings**

**Secured Loans:**

**From Bank**

(Secured against lien on FDRs payable on demand, and personal guarantee of three directors) *	2,99,50,000.00	2,99,50,000.00	2,80,50,000.00	
<b>Total Rs.</b>		<b>2,99,50,000.00</b>	<b>2,80,50,000.00</b>	

\* Lien on FDR of Rs. 2,80,50,000 (P.Y. Rs. 1,77,50,000)

**Note-5**

<b>Trade Payable</b>	4,86,29,290.00	4,86,29,290.00	2,37,46,694.00
<b>Total Rs.</b>		<b>4,86,29,290.00</b>	<b>2,37,46,694.00</b>

**Note-6**

**Other Current Liabilities**

	Holding	Subsidiary		
Current maturities of long term loan *	3,58,887.00		3,58,887.00	4,41,104.00
Interest accrued and due on Secured Loan	2,22,572.00		2,22,572.00	2,16,938.00
Liabilities for Expenses	9,12,445.00		9,12,445.00	15,09,008.00
Security Deposit (Margins)	10,91,000.00		10,91,000.00	12,38,946.00
Other Liabilities	14,06,321.00		14,06,321.00	4,02,362.00
Audit fee payable		88,159.00	88,159.00	58,659.00
Other exp.payable		1,25,308.00	1,25,308.00	2,025.00
Rent & tel.exp.payable		1,42,000.00	1,42,000.00	353.00
Salary Payable		3,50,000.00	3,50,000.00	1,10,000.00
<b>Total Rs.</b>		<b>46,96,692.00</b>		<b>39,79,395.00</b>

\* Referred Note No. 3

**Note-7**

**Short Term Provisions**

Provision for Income Tax	-	1,16,829.00	1,16,829.00	4,62,871.00
<b>Total Rs.</b>			<b>1,16,829.00</b>	<b>4,62,871.00</b>
<b>Note-9</b>				
<b>PARTICULARS</b>		<b>As at 31.03.2020</b>		<b>As at 31.03.2019</b>
<b>Non Current Investments:</b>				
Long Term -Non Trade (Quoted)	1,85,000.00	1,85,000.00	1,85,000.00	1,85,000.00
Long Term- (Trade)				
Quoted-At Cost :				
50000 Eq,Shares of Rajendra Fiscal Services Ltd.	5,00,000.00		5,00,000.00	
500EQ,Sahres of Sushia Pulp & Papers Ltd		5,00,000.00		5,00,000.00
Investments in Equity Shares				5,05,000.00
Other Equity Securities Long Term		2,84,915.00		2,84,915.00
12000 Equity Shares of Rs. 10/- each of Prabhat Securities Limited		3,60,750.00		3,60,750.00
4000 Equity Shares of Rs.10/- each of Dart Limited		40,000.00	6,85,665.00	40,000.00
				6,85,665.00
<b>UNQUOTED SHARE</b>				
12500 EQ. Share of Santosh Holding Pvt Ltd.		1,25,000.00		1,25,000.00
300000 EQ. Share of Prabhat Financial services Ltd.		30,00,000.00	31,25,000.00	30,00,000.00
Investment in Mutual Fund (Quoted)			45,00,665.00	45,00,665.00

Description of MF	Units	Rate	Amount	Units	Rate	Amount
(Rs.)						
L&T BUSINESS CYCLES **	0	0	-	29,169.65	12.8730	375490
ICICI PRUDENTIAL BANKING & FINANCIAL	0.000	0	10,450.63	57.4128	600000	
L& T INDIA VALUE RP (G)	0.000	0	6,160.79	32.1740	195000	
NIPPON INDIA PHARMA (G)	0.000	0	184.84	135.2528	25000	
NIPPON INDIA EQ HYBRID (G)	0.000	0	9,858.98	53.2509	525000	
ICICI PRUDENTIAL CORPORATION BOND (G)	3798.791	26.5966	10,00,000.00	37,598.79	26.5966	1000000
NIPPON INDIA GROWTH (G)	487.051	1077.9028	5,25,000.00	487.06	1077.9028	525000
ABSL EQUITY HYBRID 95 FUND (G)	865.464	722.156	6,25,000.00	865.46	722.1560	625000
ABSL MFC FUND (G)	893.116	699.7971	6,25,000.00	893.12	699.7971	625000
NIPPON INDIA VISION (G)	1021.884	538.2216	5,50,000.00	1,021.88	538.2216	550000
ABSL EQUITY ADVANTAGE FUND (G)	1434.229	400.9123	5,75,000.00	1,434.23	400.9123	575000
ICICI PRUDENTIAL LARGE & MID CAP FUND	1848.389	311.0817	5,75,000.00	1,848.39	311.0817	575000
ABSL EQUITY FUND	1910.439	667.3859	12,75,000.00	1,910.44	667.3859	1275000
ABSL MID CAP FUND (G)	1954.821	294.1446	5,75,000.00	1,954.82	294.1446	575000
NIPPON INDIA BANKING FUND(G)	2127.694	258.4958	5,50,000.00	2,127.69	258.4958	550000
NIPPON INDIA INCOME (G)	2213.000	55.591	1,23,022.00	9,544.26	55.0069	525000
ICICI PRUDENTIAL MULTI ASSETS FUND (G)	2319.191	247.9315	5,75,000.00	2,319.19	247.9315	575000
ABSL FRONTLINE EQUITY FUND (G)	2749.480	209.1305	5,75,000.00	2,749.48	209.1305	575000
ICICI PRUDENTIAL VALUE DISCOVERY FUND	3896.122	141.166	5,50,000.00	3,896.12	141.1660	550000
ICICI PRUDENTIAL EQUITY & DEBT FUND	4649.340	123.6735	5,75,000.00	4,649.34	123.6735	575000
NIPPON INDIA POWER & INF(G)	4998.324	105.0983	5,25,000.00	4,995.32	105.0983	525000
NIPPON INDIA MULTI CAP(G)	6133.806	89.667	5,50,000.00	6,133.81	89.6670	550000
NIPPON INDIA VALUE(G)	7848.551	70.0766	5,50,000.00	7,848.55	70.0766	550000
ICICI PRUDENTIAL INFRASTRUCTURE FUND	10870.002	50.598	5,50,000.00	10,870.00	50.5980	550000
ABSL FOCUSED EQUITY FUND (G)	10933.107	54.8792	6,00,000.00	10,933.11	54.8792	600000
NIPPON INDIA SMALL CAP (G)	12669.101	41.4394	5,25,000.00	12,669.10	41.4394	525000
ICICI PRUDENTIAL BLUE CHIP FUND (G)	14955.658	38.447	5,75,000.00	14,955.66	38.4470	575000
NIPPON INDIA LARGE CAP (G)	17430.572	31.5538	5,50,001.00	17,430.57	31.5538	550001
ICICI PRUDENTIAL BALANCED ADVANTAGE	17667.928	32.5448	5,75,000.00	17,667.93	32.5448	575000
ABSL PURE VALUE FUND	18783.592	55.8999	10,50,000.00	18,783.59	55.8999	1050000
NIPPON INDIA FOCUS EQ (G)	23517.094	46.764	10,99,763.00	23,517.09	46.7644	1099763
ICICI PRUDENTIAL FOCUSED EQUITY FUND	24660.196	28.386	7,00,000.00	20,327.74	28.2865	575000
ABSL SMALL CAP FUND	38998.230	35.89906516	14,00,000.00	35,718.13	36.3961	1300000
ABSL BANKING & FINANCE(G) SIP	48613.610	25.713	12,50,000.00	48,413.61	25.7130	1250000
ABSL MFG EQUITY	76145.860	11.00381232	8,39,418.00	71,760.12	11.0864	795562
NIPPON INDIA CREDIT RISK FUND (G)	78354.541	22.9725	18,00,000.00	78,354.54	22.9725	1800000
NIPPON INDIA DYNAMIC BOND FUND (G)	80433.852	22.3788	18,00,000.00	80,433.85	22.3788	1800000
L & T HYBRID EQUITY FUND FUND	109509.834	22.829	25,00,000.00	1,09,509.83	22.8290	2500000
NIPPON INDIA STRATEGIC DEBT FUND	135575.563	13.2767	18,00,000.00	1,35,575.56	13.2767	1800000
ABSL MEDIUM TERM PLAN(G)	203358.465	19.6697	40,00,000.00	2,03,358.47	19.6697	4000000
ABSL CREDIT RISK FUND	652027.327	11.5026	75,00,010.00	6,52,027.33	11.5026	7500010
AXIS BLUE CHIP FUND	3958.000	31.582	1,25,000.00	-	0.0000	0
ABSL PSU EQUITY FUND	50000.000	10.00	5,00,000.00	-	0.0000	0
MIRAE ASSET MID CAP FUND	81331.000	10.144	8,25,000.00	-	0.0000	0
TATA FOCUSED EQUITY FUND	82602.000	9.988	8,25,000.00	-	0.0000	0
ICICI PRUDENTIAL MEDIUM TERM BOND FUND	133876.000	22.409	30,00,000.00	-	0.0000	0
ICICI PRUDENTIAL CREDIT RISK FUND	138331.000	21.687	30,00,000.00	-	0.0000	0
NIPPON INDIA EQUITY HYBRID	9859.00	0.000	-	-	0.0000	0
NIPPON INDIA STRATEGIC DEBT	135576.000	0.00	-	-	0.0000	0
NIPPON LIFE INDIA AM LTD#NIPPON MF-	135576.000	0.00	-	-	0.0000	0
NIPPON INDIA CREDIT RISK -SEG PORT1-	78353.000	0.00	-	-	0.0000	0
NIPPON INDIA CREDIT RISK -SEG PORT2-	78353.000	0.00	4,82,87,214.00	-	0.0000	4,18,65,826.00
ABSL CREDIT RISK FUND-SEGRE	652027.000	0.00	<b>5,27,87,879.00</b>			<b>4,63,66,491.00</b>
ABSL MEDIUM TERM PLAN	203358.000	0.00				

<b>Note-10</b>				
<b>Deferred Tax Assets (NET)</b>	<b>Holding</b>	<b>Subsidiary</b>		
Deferred Tax Assets on timing differences of -				
Depreciation	3,13,019.00	-	3,13,019.00	3,38,509.00
Unabsorbed Depreciation	41,367.00	-	41,367.00	37,004.00
Carried Forward Losses	3,41,363.00	-	3,41,363.00	1,95,543.00
Deferred tax liability	-	43,398.00	43,398.00	68,623.00
<b>Total Rs.</b>			<b>7,39,147.00</b>	<b>6,39,679.00</b>

<b>Note-11</b>				
<b>Long Term Loans &amp; Advances</b>		<b>Holding</b>	<b>Subsidiary</b>	
<b>Mx Deposits</b>		<b>\$ 7,50,000.00</b>	<b>\$ -</b>	<b>7,50,000.00</b>



For Membership of NSE

|

|

| 61,00,000.00 |

- |

61,00,000.00 |

|

61,00,000.00 |

For VSAT- NSE	-	-	-	1,00,000.00	
Misc Deposit	19,000.00	-	19,000.00	19,000.00	
CDSL Deposit	2,50,000.00	-	2,50,000.00	9,50,000.00	
Membership -BSE	1,25,000.00	-	1,25,000.00	1,25,000.00	
Advances to related parties	4,16,082.00	-	4,16,082.00		
Capital Adequacy Fund BSE	10,00,000.00	-	10,00,000.00	10,00,000.00	
Security Deposit	12,59,000.00	-	12,59,000.00	30,09,000.00	1,13,03,000.00
<b>Total Rs.</b>				<b>99,19,082.00</b>	<b>1,13,03,000.00</b>

**Note-12**

<b>Trade Receivables</b>	<b>Holding</b>	<b>Subsidiary</b>			
Aggregate amount of Trade Receivables outstanding for a period exceeding six months from the date they are due for payment					
Unsecured considered good	34,62,163.00	0	34,62,163.00		34,05,610.00
Aggregate amount of Trade Receivables outstanding for a period not exceeding six months from the date they are due for payment					
Unsecured considered good	24,97,373.00	-	24,97,373.00	59,59,536.00	2,03,60,278.00
<b>Total Rs.</b>				<b>59,59,536.00</b>	<b>2,37,65,888.00</b>

**Note-13**

<b>Cash and Bank Balances:</b>	<b>Holding</b>	<b>Subsidiary</b>			
<b>Cash and Cash Equivalents:</b>					
(a)Balance with banks -					
in current account	3,58,35,366.00	8,137.00	3,58,43,503.00		55,12,213.00
Cash in hand	45,376.00	25,427.00	70,803.00		28,861.00
<b>Others:</b>					
Balances with banks-					
in STDR Accounts *	7,47,50,000.00	-	7,47,50,000.00		6,77,00,000.00
<b>Total Rs.</b>				<b>11,06,64,306.00</b>	<b>7,32,41,074.00</b>

\* STDRs having maturity of more

\* FDRs pledged with HDFC

**Note- 14**

<b>Short Term Loans and Advances</b>	<b>Holding</b>	<b>Subsidiary</b>			
<b>Unsecured considered good</b>					
Prepaid Expenses	3,17,883.00	7081	3,24,964.00	3,24,964.00	3,36,972.00
Income Tax/TDS	5,29,000.00	235666	7,64,666.00	7,64,666.00	12,78,342.00
Income Tax Receivable	8,17,279.00	0	8,17,279.00	8,17,279.00	1,29,961.00
Margin with ISSL (F&O Clearing Member)	11,00,000.00	0	11,00,000.00	11,00,000.00	36,00,000.00
Advances Others *	7,66,370.00	11727	7,78,097.00	7,78,097.00	1,76,646.00
CMK Developer pvt. Ltd					57,68,791.00
Jawan Mining & Construction Eq.Pvt. Ltd.				89,55,762.00	89,55,762.00
Neo Exotic Granite Pvt. Ltd.					50,61,200.00
Wollmine india Private Limited				1,75,210.00	1,60,818.00
Govind Mercantile Pvt.Ltd.				59,55,153.00	54,63,442.00
Somitra Power Steel pvt ltd.				16,13,771.00	
manoj Agarwal				5,00,000.00	
Bhagwati Enterpriess				13,19,233.00	
Amber home interior pvt ltd				68,60,084.00	
VKS Fincap pvt ltd.				44,15,202.00	40,49,730.00
<b>Total Rs.</b>				<b>3,35,79,421.00</b>	<b>3,49,81,664.00</b>

**Note-15**

<b>Other Current Assets</b>	<b>Holding</b>	<b>Subsidiary</b>			

Interest Accrued on STDRs	25,28,874.00	-	25,28,874.00	24,80,105.00
<b>Total Rs.</b>			<b>25,28,874.00</b>	<b>24,80,105.00</b>

<b>Notes Annexed to and Note 16</b>				
<b>Revenue from operations</b>				
From Brokerage				
From Depository Services				
Revenue Other Services				
Interest on loans and financing activities				
<b>income from financing Activities</b>				
<b>Total Rs.</b>				

<b>Note-17</b>				
<b>Other Income</b>				
Interest on STDR (Gross)				
TDS Rs.521952/- (Pr. Yr. Rs. 46418)				
Dividend on Mutual Fund				
Interest from others				
TDS Rs. 12937 (Pr. Yr. Rs.910)				
Depository Charges				
Income on Sale of Mutual Fund Units				
Transaction Charges & Clg. Charges(Net)				
Dividend Income				
FO Clearing Charges				
<b>Total Rs.</b>				

<b>Note-18</b>				
<b>Employee Benefits Expenses</b>				
Employees Remuneration & Benefit				
Remuneration to Directors				
<b>Total Rs.</b>				

<b>Note-19</b>			22,82,679.00	22,90,732.00
<b>Finance cost</b>	<b>Holding</b>	<b>Subsidiary</b>		
<b>Interest Expenses</b>				
Bank Interest	27,70,848.00			21,77,477.00
<b>Other borrowing costs</b>				
Other Interest	1,01,275.00	64,716.00		1,73,651.00
Bank Guarantee Commission	2,05,476.00			3,89,534.00
<b>Total Rs.</b>				<b>27,40,662.00</b>

<b>Note-20</b>				
<b>Depreciation &amp; Amortization:</b>	<b>Holding</b>	<b>Subsidiary</b>		
Depreciation	5,30,043.00	2,49,341.00		9,87,798.00
<b>Total Rs.</b>				<b>9,87,798.00</b>

<b>Note- 21</b>				
<b>Other Expenses</b>	<b>Holding</b>	<b>Subsidiary</b>		
Annual Subscriptions to NSE/ BSE/ANMI	1,47,700.00	1,41,010.00	2,88,710.00	2,06,116.00
Auditors Remuneration	42,980.00	37,000.00	79,980.00	79,980.00
Bank Charges	8,916.00	-	8,916.00	9,238.00
Books & Periodicals	10,452.00	-	10,452.00	11,472.00
Brokerage Commission	48,57,800.00	-	48,57,800.00	66,38,011.00
Business Promotion	1,54,152.00	-	1,54,152.00	2,62,064.00
Computer & Software Maintenance	6,57,355.00	-	6,57,355.00	6,01,517.00
Depository Transaction Charges	5,57,872.00	-	5,57,872.00	6,08,782.00
Donation	1,28,100.00	-	1,28,100.00	1,34,200.00
Electricity Charges	3,26,587.00	39,883.00	3,66,470.00	3,85,435.00
Employer P. F. Contribution	2,62,152.00	-	2,62,152.00	1,91,863.00
FO CM Trn. Charges	1,60,540.00	-	1,60,540.00	-
General Expenses	1,95,475.00	-	1,95,475.00	1,47,421.00
Insurance Chagres	67,605.00	26,746.00	94,351.00	97,399.00
KYC KRA Exp.	8,403.00	-	8,403.00	10,205.00
Legal Charges	72,550.00	-	72,550.00	80,150.00
NSE/BSE Transaction Charges	15,07,753.00	-	15,07,753.00	-
Postage & Courier Expenses	38,134.00	11,180.00	49,314.00	62,447.00
Printing & Stationery Expenses	81,549.00	1,560.00	83,109.00	89,387.00
Rates and Taxes	71,864.00	33,270.00	1,05,134.00	-
Rent	2,88,000.00	1,92,000.00	4,80,000.00	6,72,000.00
Repairs & Maintenance (other)	2,53,913.00	5,400.00	2,59,313.00	2,75,091.00
SEBI Fees	1,000.00	-	1,000.00	1,000.00
Staff Food & Beverage	5,815.00	-	5,815.00	6,077.00
Telephone Expenses	4,18,979.00	3,552.00	4,22,531.00	7,68,327.00
Travelling & Convyance Expenses	6,832.00	15,101.00	21,933.00	1,33,741.00
Vehicle Running & Maintenance Expenses	1,68,680.00	-	1,68,680.00	2,69,851.00
VSAT and Leased Line Expenses	1,61,191.00	-	1,61,191.00	2,13,500.00
Derivatives (FO & CD) Loss	2,83,959.00	-	2,83,959.00	-
Professional Fees	4,000.00	12,500.00	16,500.00	10,925.00
Advertisement exp.		58,095.00	58,095.00	56,257.00

Note- 8

**FIXED ASSETS AS ON 31.03.2020**

Assets			Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
	Useful Life (In Years)	Shift	Balance as at 1st April 2019	Additions during the year	Deletion during the year	Balance as at 31st March 2020	Balance as at 1st April 2019	Provided during the year	Deletion / adjustments during the year	Balance as at 31st March 2020	Balance as at 31st March 2020	Balance as at 31st March 2019
<b>Tangible assets</b>												
<b>Own Assets</b>												
<b>Furniture and</b>												
Furniture and	10	Single	7,47,914.00			7,47,914.00	7,27,862.00	1,248.00		7,29,110.00	18,804.00	20,052.00
						-				-	-	-
<b>Office equipment</b>												
UPS	5	Single	10,33,385.00			10,33,385.00	9,79,805.00	18,858.00		9,98,663.00	34,722.00	53,580.00
Office Equipments	5	Single	2,53,190.00	15,000.00		2,68,190.00	2,39,053.00	10,594.00		2,49,647.00	18,543.00	14,137.00
Generator A/c.	5	Single	76,498.00			76,498.00	76,498.00			76,498.00	-	-
Air Conditioner	5	Single	10,51,623.00	-		10,51,623.00	9,97,843.00	17,709.00		10,15,552.00	36,071.00	53,780.00
Fax Machine	5	Single	1,08,747.00			1,08,747.00	1,08,747.00	-		1,08,747.00	-	-
EPABX			19,500.00			19,500.00	18,702.00	111.00		18,813.00	687.00	798.00
						-				-	-	-
<b>Motor Vehicles</b>												
Car	8	Single	60,23,017.00	-		60,23,017.00	42,84,417.00	5,20,412.00		48,04,829.00	12,18,188.00	17,38,600.00
Motor Cycle	10	Single	1,48,556.00			1,48,556.00	1,11,025.00	9,546.00		1,20,571.00	27,985.00	37,531.00
Mobile		Single	62,000.00			62,000.00	30,295.00	5,596.00		35,891.00	26,109.00	31,705.00
						-				-	-	-
<b>Buildings</b>												
Office Premises	60	Single	22,94,120.00			22,94,120.00	13,15,110.00	42,127.00		13,57,237.00	9,36,883.00	9,79,010.00
						-				-	-	-
						-				-	-	-
<b>Computers and data processing units</b>												
Computer	3	Single	70,26,504.00	1,75,569.00		72,02,073.00	68,01,972.00	1,53,183.00		69,55,155.00	2,46,918.00	2,24,532.00
Computer(V Set)			6,69,910.00	-		6,69,910.00	6,69,910.00	-		6,69,910.00	-	-
						-				-	-	-
<b>Current Year</b>			<b>1,95,14,964.00</b>	<b>1,90,569.00</b>	<b>-</b>	<b>1,97,05,533.00</b>	<b>1,63,61,239.00</b>	<b>7,79,384.00</b>	<b>-</b>	<b>1,71,40,623.00</b>	<b>25,64,910.00</b>	<b>31,53,725.00</b>
<b>Previous Year</b>			<b>1,70,51,003.00</b>	<b>10,85,050.00</b>	<b>-</b>	<b>1,81,36,053.00</b>	<b>1,42,39,537.00</b>	<b>11,33,903.00</b>	<b>-</b>	<b>1,53,73,440.00</b>	<b>27,62,613.00</b>	<b>38,96,515.00</b>