



PRABHAV INDUSTRIES LIMITED

(CIN: L45200GJ1995PLC028373.)

Corporate Information

BOARD OF DIRECTORS

Jayesh Raichandbhai Thakkar (DIN: 01631093) : Managing Director
Bhavesh Jayantibhai Desai (DIN: 01937635) : Whole-Time Director
Chandrakant Gaikwad (DIN: 02636812) : Director
Ami Jigar Motta (DIN: 02824823) : Independent Director
Nilesh Shivram Mistry (DIN: 02968762) : Independent Director
Kean Babubhai Patel (DIN: 03274278) : Independent Director

BANKERS:

Bank of India , Sayajigunj,
Vadodara
Bank of Baroda, Sayajigunj,
Vadodara
Axis Bank, New Marine Lines
Branch, Mumbai
UCO Bank, Mid Corporate Branch,
Vadodara
HDFC Bank - Raopura Branch,
Vadodara
YES Bank - Horniman Circle
Branch, Mumbai
Indian Bank, Mandvi Branch,
Mumbai

REGISTERED OFFICE

902, Galav Chamber,
Opp. Sardar Patel Statue,
Sayajigunj, Vadodara- 390005,

Gujarat.

STATUTORY AUDITORS:

M/s. Sheetal Samriya & Associates
Chartered Accountants
201, Shri Hari Complex,
Beside Express Hotel Lane,
Vadodara-390010,
Email: ssabaroda@gmail.com

**REGISTRAR AND TRANSFER
AGENTS:**

M/s. Link Intime India Pvt. Ltd.
B- 102 & 103, Shangrila Complex,
1st Floor, Opp. HDFC Bank,
Near Radhakrishna Char Rasta,
Akota, Vadodara- 390 020



Contents sequence

S.N. Particulars

- 1 Notice
- 2 Directors' Report
- 3 Report on Corporate Governance
- 4 Certificate on Corporate Governance
- 5 CEO/CFO Certification
- 6 Code of conduct Compliance
- 7 Management Discussion and Analysis
- 8 Independent Auditors' Report
- 9 Annexure to Auditors' Report
- 10 Balance Sheet
- 11 Profit & Loss Account
- 12 Cash Flow Statement
- 13 Schedules Forming part on Financial Statement
- 14 Notes of Accounts
- 15 Attendance Slip & Proxy Form

NOTICE

NOTICE is hereby given that the Annual General Meeting of M/s. Prabhav Industries Limited will be held on Tuesday, 23rd September, 2014 at 11:00 A.M. at its Registered Office situated at 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara- 390005, Gujarat to transact the following Businesses.

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Financial Accounts including Audited Balance Sheet, Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2014 along with the Reports of the Auditors and Directors thereon.
2. To appoint a Director in the place of Mr. Chandrakant Gaikwad (Din: 02636812), who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary resolution:

“RESOLVED THAT M/s. Sheetal Samriya & Associates., Chartered Accountants (Registration No. 011478C), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESSES:

4. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mrs. Ami Jigar Motta (DIN: 02824823), Independent Director of the Company, who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to the conclusion of Annual General Meeting for the FY 2016-17.”



5. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Nilesh Shivram Mistry (DIN: 02968762), Independent Director of the Company, who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to the conclusion of Annual General Meeting for the FY 2016-17.”

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made there under, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Mr. Ketan Babubhai Patel (DIN: 03274278), Director of the Company, who in accordance with Companies Act, 2013 is required to be appointed as an Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three consecutive years for a term up to the conclusion of Annual General Meeting for the FY 2016-17.”

For and on behalf of the Board
For, Prabhav Industries Limited

Date: 30/05/2014

Place: Vadodara

SD/-

Jayesh R. Thakkar
Managing Director

Name of the Company:

Prabhav Industries Limited

CIN:

L45200GJ1995PLC028373

Email ID: info@prabhav.co.in

Registered Office:

902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara-390005.

Phone No.: 0265-2362200, 2361100,

FAX: 0265-2361551.



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ('the Meeting') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

A proxy form, in order to be effective, must be received at the Registered Office of the Company's situated at 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara- 390005, not less than 48 hours before the commencement of the meeting. A blank proxy form is enclosed and can also be downloaded from the website of the company.

2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from **Wednesday, 17/09/2014 to , Tuesday 23/09/2014**, (both days inclusive) and cut-off date for the purpose of identification of eligible shareholders is Friday, 22/08/2014.
4. The Securities and Exchange Board of India (SEBI) has mandated the submission of copy of PAN card to the Company/ Depository Participants as the case may be. Members holding shares in physical form should submit their PAN details to the Company/Registrar and Share Transfer Agent of the Company.
5. Members are requested to notify any change of address:
 - a) to their Depository Participants (DP) in respect of shares held in dematerialized form, and;
 - b) To Registrar and Share Transfer Agent of the Company- M/s. Link Intime India Pvt. Ltd. B-102/103, Shangrila Complex, 1st Floor, Near Radhakrishna char rasta, Akota, Vadodara, Gujarat,390020, in respect of shares in physical form, to notify their change of address/residential status/email-id, bank details etc., if any, under their signatures and quoting respective folio number.
6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. Members are requested to bring their Client ID and DP ID or Folio Numbers, as may be applicable, at the meeting for easy identification of attendance.
8. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board resolution(s)

- authorizing their representative(ies) to attend and vote on their behalf at the Meeting.
9. Members desirous of getting any information about the accounts and operations of the Company are requested to submit their queries addressed to the Compliance Officer at least 7 days in advance of the meeting so that the information called for can be made available at the meeting.
 10. Kindly bring your copies of the Annual Report as sent by the Company at the meeting.
 11. Electronic copy of the Annual Report for the financial Year ended on 31st March, 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report is being sent in the permitted mode.
 12. Electronic copy of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the Annual General Meeting of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
 13. Members may also note that the Notice of the Annual General Meeting and the Annual Report for the financial Year ended on 31st March 2014 will be available at the Company's Registered Office situated 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara- 390005 for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: info@prabhav.co.in.
 14. **Voting through electronic means**
 - (I) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for e-voting are as under:

(A) In case of members receiving e-mail:

- (i) Log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” tab to cast your votes.
- (iii) Now, select the Electronic Voting Sequence Number - “EVSN” along with “PRABHAV INDUSTRIES LIMITED” from the drop down menu and click on “SUBMIT” (Note: EVSN of the Company is 140827045)
- (iv) If you are holding shares in Demat form and have already voted earlier on www.evotingindia.com for a voting of any Company, then your existing login id and password are to be used. If you are a first time user follow the steps given below.
- (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID Folio Number registered with the Company followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. In absence of Bank Details, you may enter number of shares held by you as on cut-off date i.e. 22/08/2014.	

**Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number: <ABCDE1234F> in the PAN field.*

please enters any one of the details in order to login. Incase either of the details are not recorded with the depository/company, please enter the number of shares held by you as on 22/08/2014 in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “SUBMIT” tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members 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.
- (viii) For member's holdings shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (ix) Click on the relevant EVSN on which you choose to vote.
 - (x) 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.
 - (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (xii) 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.
 - (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
 - (xv) If Demat account holder has forgotten the changed password then enter the User ID and Captcha Code click on Forgot Password & enter the details as prompted by the system.
 - (xvi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and POA in favour of the Custodian who they have authorized to vote on their behalf, in PDF format in the system for the scrutinizer to verify the vote.

(B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no. (i) to sl. no. (xvi) above, to cast vote.

- (II) The voting period begins on Wednesday, 17th September, 2014 (9.00 am) and ends on Friday, 19th September, 2014 (6.00 pm) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (III) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (IV) (a) Mr. Mayur M. Buha, ACS, Practicing Company Secretary (Certificate of Practice No.10487) has been appointed as Scrutinizer to scrutinize voting process in a fair and transparent manner.



- (b) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not being in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (c) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be available for inspection and also placed on the website of the Company within prescribed period.
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Sundays, up to and including the date of the Annual General Meeting of the Company.
16. As per the provision of clause 49 of the Listing Agreement, particulars of Directors to be appointed / re-appointed at the Annual General Meeting are given separately in the notice.
17. The investors may contact the Compliance Officer for redressal of their grievances/queries. For this purpose, they may either write to her/him at the Registered office address or e-mail their grievances/queries to the Compliance Officer at the following e-mail address: info@prabhav.co.in.

For and on behalf of the Board
For, Prabhav Industries Limited

Date: 30/05/2014

Place: Vadodara

SD/-

Jayesh R. Thakkar
Managing Director

Name of the Company:

Prabhav Industries Limited

CIN:

L45200GJ1995PLC028373

Email ID: info@prabhav.co.in

Registered Office:

902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara-390005.

Phone No.: 0265-2362200, 2361100,

FAX: 0265-2361551.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4, 5 AND 6:

Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel are Independent Directors of the Company. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of Independent Directors by a listed Company. It is proposed to appoint Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel as Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for three consecutive years for a term upto the conclusions of Annual General Meeting for the FY 2016-17. All the forenamed Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given consent to act as Directors, The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel for the office of Director of the Company. The Company has also received declarations from Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement. In the opinion of the Board, Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel are independent of the management.

Copy of the draft letter for respective appointments of Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel as Independent Directors setting out the terms and conditions is available for inspection by members at the Registered Office of the Company. This Statement may also be regarded as disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.

Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel are interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice with regards to their respective appointments. The relatives of Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Kean Babubhai Patel may be deemed to be interested in the resolutions set out respectively at Item Nos. 4, 5 and 6 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of other Directors / Key Managerial Personnel of the Company / Manager / their relatives are any way, concerned or interested, financially or otherwise in these resolutions. The Board recommends the Ordinary Resolutions set out at Item Nos. 4, 5 and 6 of the Notice for approval by the shareholder.

The detailed profile of Mrs. Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Kean Babubhai Patel is set-out separately in this report.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING (IN PURSUANCE OF CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	Chandrakant Gaikwad	Ami Jigar Motta
Date of Birth	10/04/1982	31/01/1974
Date of appointment	03/03/2010	01/09/2011
Qualifications	B.com	B.com
Experience	15 years	12 years
Names of other Companies in which Directorship is held	<ol style="list-style-type: none"> Laxman Sales Private Limited Real Value Commercial Private Limited Gaikwad Securities Private Limited Samjhauta Mercantile Private Limited C and K Realtors Private Limited Whitertext Infrastructure Private Limited Anvita Trading Company Private Limited Lifefour Multitrading Private Limited NazimaImpex Private Limited Urjita Mercantile Private Limited Ratish Infrastructure Private Limited Bymethod Reality Private Limited Vihar Infrastructure Private Limited 	<ol style="list-style-type: none"> Disha Plastics Private Limited Dhani Commodities Private Limited Sanguine Media Limited
No. of Shares held	NIL	NIL

Name of Director	Nilesh Shivram Mistry	Ketan Babubhai Patel
Date of Birth	11/08/1985	30/01/1980
Date of appointment	01/09/2011	24/01/2011
Qualifications	B.com	B.A
Experience	10 Years	5 Years
Names of other Companies in which Directorship is held	<ol style="list-style-type: none"> Khodiyar Pipe Private Limited Adway Securities Private Limited Allied Computers International (Asia) Limited Nector Distributors Private Limited Baron Vanijya Private Limited Padmavati Homes Private Limited 	NIL
No. of Shares held	NIL	NIL

Directors' report

To,
The Members,
PRABHAV INDUSTRIES LIMITED

Your Directors have pleasure in presenting the Report on the business and operations of the Company together with the Audited Accounts for the year ended 31st March, 2014.

1. FINANCIAL RESULTS:

Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
	(Amt. in Rupees)	
Turnover	19,85,91,743.70	42,80,01,884.00
Other Income	46,85,096.81	3,63,36,805.00
Expenditure	25,51,72,026.98	46,30,83,301.00
Profit(Loss) Before Taxes	(5,19,75,367.86)	12,55,388.00
Provision for Taxes		
Current Tax	NIL	2,39,200.00
Deferred Tax	NIL	4,30,550.00
Profit after Tax available for appropriation	(5,19,75,367.86)	5,85,638.00
Dividend	NIL	NIL
Balance carried forward to Balance Sheet	(5,19,75,367.86)	5,85,638.00

2. DEPOSITS:

The Company has not accepted any deposit from Public. Therefore provisions of section 58(A) of Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 are not applicable to the Company.

3. DIVIDENDS:

In the view of long run interest of the company, your Directors do not recommend any dividend.

4. INSURANCE:

Movable and fixed Assets are adequately insured.

5. CORPORATE GOVERNANCE:

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of the requirements stipulated under Clause – 49 of the Listing Agreement with the Stock Exchanges.

A detailed report on Corporate Governance along with Certificate issued by Practicing Chartered Accountants in terms of Clause – 49 of the Listing Agreement is attached which forms part of this Report.

6. MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis forms part of this Report and it deals with the Business, Operations and Financial Performance etc.

7. PARTICULARS OF EMPLOYEES:

The company did not employ anybody drawing remuneration of ₹ 60, 00,000/- or more per annum or ₹5, 00,000/- or more per month and hence the question of providing information under section 217(2A) of the companies Act, 1956 does not arise.

8. DIRECTORS:

Mr. Chandrakant Gaikwad, Directors will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment. Your Directors recommend their reappointments for your approval.

Mrs.Ami Jigar Motta, Mr. Nilesh Shivram Mistry and Mr. Ketan Babubhai Patel are being proposed to be re-appointed as Independent Directors in terms of the applicable provisions of the Companies Act, 2013. The Board recommends their re-appointment.

9. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING/OUTGO:

Information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is provided separately as an annexure to the Director's Report.

10. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provision of Sub-Section (2AA) of section 217 of the companies Act, 1956 your directors confirm:

- I. That in the preparation of the annual accounts for year ended on 31st March, 2014, the applicable accounting standards had been followed with no departures there from;

- II. That 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 ended on 31st March, 2014 and of the loss of the Company for that period;
- III. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities ;
- IV. That the Directors had prepared the annual accounts for the year ended on 31st March, 2014 on a going concern basis.

11. AUDITORS:

M/s. Sheetal Samriya & Associates, Chartered Accountants the present Auditors of the Company have furnished a certificate regarding their eligibility for re- appointment. You are requested to appoint auditors of the company and fix their remuneration.

12. AUDITORS REPORT:

There are no qualifications or adverse remarks in the Auditors' Report which requires any clarifications / explanations. The notes to accounts forming part of the financial statements are self explanatory.

13. ACKNOWLEDGEMENT:

The Board wishes to thank the Employees, Business partners, Bankers, Clients and shareholders, for their continued support and for faith they have responded in the Company.

Date: 30/05/2014

Place: Vadodara

For, Prabhav Industries Limited
SD/-

Jayesh R. Thakkar
Chairman

Information as per section 217(1)(e) read with the companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of Director's Report for the year ended 31st march 2014.

CONSERVATION OF ENERGY

Your Company has always promoted the efforts taken to conserve the energy and has always employed various schemes for the same wherever possible to achieve the optimum utilization of the Energy and subsequently reduction in the cost of production. Your Company have, on the suggestions of experts initiated various measures in the areas where energy reduction and fuel and oil conservations are possible.

FORM-"A"

FORM FOR DISCLOSURES OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY POWER AND FUEL CONSUMPTION.

Electricity:

Particulars		2013-14	2012-13
Purchased (Unit in Lacs)	Unit	40.36	64.02
Total Amount (in Lacs)	₹	210.00	283.55
Rates per Unit		5.20	4.43
Consumption of Electricity per unit of Production			
M.S. Ingot	Per MT	910 UNIT	

FORM-"B"

A. RESEARCH AND DEVELOPMENT (R&D)

The Company has been carrying out the Research & Development Activities at its Workplace and the same has resulted into following improvements:

- Increase in Production efficiency
- Optimum utilization of Raw Materials & resources
- Cost Reduction.
- Improvement in quality of the products
- Reduction in Pollution

B. TECHNOLOGY ABSORPTION

The Company has made consistent efforts towards Technology Absorption, Adaptation and Innovation. Further the Research & Development activities has helped in the quality control.

The Company has also been planning for the adoption of the upgraded technology so that better quality product can be produced.

C. FOREIGN EXCHANGE EARNING AND OUTGO : NIL

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate governance is about maximizing shareholder value legally, ethically and on a sustainable basis. At PRABHAV INDUSTRIES LIMITED, the goal of corporate governance is to ensure fairness for every stakeholder – our customers, investors, vendor-partners, the community, and the governments of the countries in which we operate. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity.

Our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in national and international corporate governance. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

2. BOARD OF DIRECTORS:

Composition of Board of Directors

The Board of PRABHAV INDUSTRIES comprise of optimum combination of Executive (Whole-time) and Non-Executive (Non-whole-time) Director. The composition of the Board of Directors as on 31.03.2014 is given below:-

NAME	CATEGORY
Jayesh Raichandbhai Thakkar	Managing Director
Bhavesh Jayantibhai Desai	Whole time Director
Chandrakant Gaikwad	Director
Ami Jigar Motta	Independent Director
Nilesh Shivram Mistry	Independent Director
Ketan Babubhai Patel	Independent Director

Board Meetings

The Board of Directors oversees the overall functioning of the Company and has set strategic goals in order to achieve its Vision. The Board defines the Company's policy and oversees its implementation in attaining its goal. The Board has constituted various committees as per the provisions of the Companies Act, 1956 to facilitate the smooth and efficient flow of decision making process.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he / she is a Director.

The Board of Directors met 5 times during 2013-14. The meetings were held on May 30, 2013, August 14, 2013, November 14, 2013, January 10, 2014 and February 13, 2014. The maximum time gap between any two consecutive meetings did not exceed four months.

Attendance of each Director at Board Meetings held during 2013-14 and last Annual General Meeting

NAME	No. of Board meetings attended during 2013-14	Whether present at the last AGM
Jayesh Raichandbhai Thakkar	5	Yes
Bhavesh Jayantibhai Desai	5	Yes
Chandrakant Gaikwad	4	Yes
Ami Jigar Motta	5	Yes
Nilesh Shivram Mistry	5	Yes
Ketan Babubhai Patel	5	Yes

Board Business

In terms of the Company’s Corporate Governance policy, all statutory and other significant and material information is placed before the Board of Directors to enable it to discharge its responsibilities

- framing and overseeing progress of the Company’s annual plan and operating framework;
- framing strategies for shaping of portfolio and direction of the Company and for corporate resource allocation, reviewing financial plans of the Company;
- reviewing quarterly and annual business performance of the Company;
- reviewing the Annual Report and accounts for adoption by the Members;
- reviewing the progress of various functions and businesses of the Company;
- reviewing the functioning of the Board and its Committees;
- considering and approving declaration / recommendation of dividend;

- reviewing and resolving fatal or serious accidents or dangerous occurrences, any materially significant effluent or pollution problems or significant labour issues, if any;
- reviewing the details of significant development in human resources and industrial relations front;
- reviewing details of foreign exchange exposure and steps taken by the management to limit the risks of adverse exchange rate movement;
- reviewing compliance with all relevant legislations and regulations and litigation status, including materially important show cause, demand, prosecution and penalty notices, if any;
- reviewing Board remuneration policy and individual remuneration packages of Directors;
- appointing Directors on the Board and Management Committee;
- reviewing details of risk evaluation and internal controls;
- reviewing reports on progress made on the ongoing projects;

Code of Conduct

All the Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the year ended March 31, 2014. A declaration to this effect signed by Mr. Jayesh Thakkar, Chairman & Managing Director is annexed to this Report.

3. AUDIT COMMITTEE:

The Audit Committee has been constituted in line with the provisions of Clause 49 of the Listing Agreement and also meets the requirements of Section 292A of the Companies Act, 1956 (NOW Section 177 of the Companies Act, 2013). The members of the Audit Committee have requisite financial and management expertise. The terms of reference and powers of the Audit Committee are as mentioned in clause 49 II (D) of the Listing Agreement entered into with stock exchanges. The Audit Committee oversees the Company's Financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their remuneration, to review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliance with accounting standards and Listing Agreements entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the Internal Auditors any significant findings for follow-up

thereon, to review the Quarterly, Half-yearly and Annual financial statements before they are submitted to the Board of Director The Committee also meets the operating management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of. The Audit Committee of the Board of Directors comprises three Non-Executive Director.

NAME	DESIGNATION	CATEGORY OF DIRECTOR
Bhavesh Jayantibhai Desai	Chairman	Independent Director
Jayesh Thakkar	Member	Managing Director
Ami Jigar Motta	Member	Independent Director
Nilesh Shivram Mistry	Member	Independent Director

During the year and as per the requirement of the Act, Five Audit Committee Meetings were held on May 30, 2013, August 14, 2013, November 14, 2013, January 10, 2014 and February 13, 2014 The Company Secretary acts as the Secretary of the Audit Committee.

4. REMUNERATION COMMITTEE:

The Independent Directors are not paid any remuneration except sitting fees, if decided, for attending each meeting of the Board or Committees thereof. However, the Board has constituted a Remuneration Committee to approve certain perquisites for whole-time Functional Directors and below Board level Executives, which are within the powers of the Board as well as to approve performance related pay to the executives of the Company. The Remuneration Committee of the Company meets regularly as per the requirement of the Act and transacts the business accordingly.

TERMS OF REFERENCE:

To review, assess and recommend the appointment of Executive and Non-Executive Directors and, to review their remuneration package, to recommend compensation to the Non-Executive Directors in accordance with the provisions of the Companies Act, 1956, to consider and recommend Employee Stock Option Schemes and to administer and superintend the same.

COMPOSITION:

The committee comprises 3 Non-Executive Directors and Chairman.

NAME	DESIGNATION	CATEGORY OF DIRECTOR
Bhavesh Jayantibhai Desai	Chairman	Independent Director
Chandrakant Gaikwad	Member	Executive Director
Ami Jigar Motta	Member	Independent Director
Nilesh Shivram Mistry	Member	Independent Director

5. SHAREHOLDERS' / INVESTORS GRIEVANCE COMMITTEE:

The Shareholders'/Investors Grievance Committee (SIGC) examine the grievances of shareholders/investors and act as the system of redressal of the same. It also approves issuance of share certificates. The Company accords top priority to resolve complaints/grievances/queries of shareholders within a reasonable period of time.

TERMS OF REFERENCE:

To look into the investors' complaints, if any, and to redress the same expeditiously. Besides, the committee approves allotment, transfer and transmission of Shares, Debentures and any other securities and issue of duplicate certificates and new certificates on split/consolidation/renewal etc. as may be referred to it by the Share Transfer Committee.

COMPOSITION:

The Shareholders' Grievance Committee presently comprises 2 Executive Directors and 2 Non-Executive Director

NAME	DESIGNATION	CATEGORY OF DIRECTOR
Jayesh Thakkar	Chairman	Managing Director
Chandrakant Gaikwad	Member	Executive Director
Bhavesh Jayantibhai Desai	Member	Independent Director
Nilesh Shivram Mistry	Member	Executive Director

6. GENERAL BODY MEETINGS:

The Annual General Meetings of the Company were held at 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara- 390005, Gujarat where the Registered Office of the Company is situated. The details of the AGM held for the past three years were as under:-

	2010-11	2011-12	2012-13
Date	30 th September 2011	29 th September 2012	28 th September 2013
Time	09:00 A.M.	11:00 A.M.	11:00 A.M.
No. of Special Resolutions Passed	3	0	0

7. DISCLOSURES:

Materially significant related party transactions.

The Company has not entered into any materially significant related party transactions with the Directors or the Senior Management Personnel or their relatives.

Details of non-compliance during the last three years

There were no cases of non-compliance by the Company and no penalties/strictures were enforced on the Company by Stock Exchanges/SEBI or any other statutory authority on any matter related to capital markets during the last three year

Whistle Blower Policy

The Company has framed a whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees, to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee.

8. REPORT ON CORPORATE GOVERNANCE:

The Company has obtained a certificate from the statutory auditors regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 which is annexed herewith.

9. CEO DECLARATION:

As required by clause 49 of the Listing Agreement, Directors declaration on Compliance of the Company's Code of Conduct is annexed herewith.

10. MEANS OF COMMUNICATION:

The Financial Statements including Balance Sheet, Profit and Loss Account and Cash Flow Statement and Notice of Board meeting and Annual General Meeting are published in the national and regional newspaper.

11. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:

Date: 23rd September, 2014
 Time: 11:00 A.M
 Venue: 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara-390005, Gujarat.

Financial Calendar for 2013-14 to approve quarterly / annual financial results:

Audited results for the quarter ending on 31st March 2013	30/05/2013
Unaudited results for the quarter ending on 30th June 2013	14/08/2013
Unaudited results for the quarter ending on 30th Sept. 2013	14/11/2013
Unaudited results for the quarter ending on 30th Dec. 2013	13/02/2013

Book Closure Dates: 17/09/2014 to 23/09/2014(both days inclusive)

Listing on Stock Exchanges: Bombay Stock Exchange Ltd.
 Vadodara Stock Exchange Ltd.
 Ahmedabad Stock Exchange Ltd.

Corporate Identity Number (CIN): The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L45200GJ1995PLC028373.**

Stock Code at BSE: 531855

Demat ISIN Number: INE538J01012

Stock Market Price Data: BSE

Month	High	Low	No. of Shares	BSE Sensex	
				High	Low
Apr-13	1.55	0.91	11,97,407	19,622.68	18,144.22
May-13	1.20	0.96	4,65,377	20,443.62	19,451.26
June-13	1.15	0.80	10,64,268	19,860.19	18,467.16
July-13	1.13	0.87	2,65,289	20,351.06	19,126.82
Aug-13	0.95	0.70	6,79,912	19,569.20	17,448.71
Sep-13	0.89	0.60	3,21,776	20,739.69	18,166.17
Oct-13	1.00	0.63	2,37,887	21,205.44	19,264.72
Nov-13	1.71	0.97	3,53,829	21,321.53	20,137.67
Dec-13	1.60	1.38	15,42,801	21,483.74	20,568.70
Jan-14	1.40	1.08	4,32,048	21,409.66	20,343.78
Feb-14	1.43	0.99	1,35,002	21,140.51	19,963.12
Mar-14	1.06	0.90	1,39,324	22,467.21	20,920.98

Registrar & Transfer Agents (R&T):

M/s. Link Intime India Pvt. Ltd.
 B- 102 & 103, Shangrila Complex,
 1st Floor, Opp. HDFC Bank,
 Near Radhakrishna Char Rasta,
 Akota, Vadodara- 390 020

Distribution of shareholding as on 31st March 2014:

Range of Holding	No. of shareholding	% to total shareholders	No. of shares	% to total shares
1-500	1148	37.6147	300804	0.6527
501-1000	565	18.5125	518192	1.1243
1001-2000	366	11.9921	621880	1.3493
2001-3000	187	6.1271	504189	1.0939
3001-4000	89	2.9161	327855	0.7114
4001-5000	154	5.0459	751874	1.6313
5001-10000	216	7.0773	1696485	3.6809
10001 & above	327	10.7143	41367821	89.7562
TOTAL	3052	100	46089100	100

Shareholding Pattern as on 31st March 2014:

Category	No. of shares held	% of total shares
Promoters	424800	0.92
Institutional Investors		
• Mutual funds	0.00	0.00
• Banks, FIs, Insurance Companies	0.00	0.00
Other Bodies Corporate	24371764	52.88
NRI/OCBs (other than promoters)	125726	0.27
Indian Public	20355737	44.17
Others (clearing Members)	811073	1.76
TOTAL	46089100	100

Break up of shares in physical and Demat Segment as on 31st March 2014:

Segment	No. of shares held	% to total shares
Physical	14902100	32.33
Demat	31187000	67.67
TOTAL	46089100	100

Address for Correspondence:

M/s. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (w), Mumbai-
400078,
Tel.: (22) 25963838,
Fax: (22) 25946969,
E-mail: rnt.helddesk@linkintime.co.in



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
PRABHAV INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by PRABHAV INDUSTRIES LIMITED for the financial year ended 2013-14 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

For Sheetal Samriya & Associates

Chartered Accountants,
(Firm Registration No.: 011478C)

SD/-

Abhitesh Dubey
Partner
(Membership No.: 147923)
Vadodara, 30 May, 2014

CEO/CFO CERTIFICATION

To,
The Members,
PRABHAV INDUSTRIES LIMITED

I hereby confirm that all the members of the Board and Senior Management have affirmed compliance with the Code of Conduct. The Chairman and CEO have issued requisite certificates to the Board pursuant to Clause 49 of the Listing Agreement.

Date: 30/05/2014
Place: Vadodara

For, Prabhav Industries Limited

SD/-
Jayesh R. Thakkar
Chairman & MD

CODE OF CONDUCT COMPLIANCE

To,
The Members,
PRABHAV INDUSTRIES LIMITED

As provided under clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the senior personnel have confirmed compliance with the Code of Conduct for the year ended on 31st March, 2014.

Date: 30/05/2014
Place: Vadodara

For, Prabhav Industries Limited

SD/-
Jayesh R. Thakkar
Chairman & MD

Management Discussion and Analysis

A) Overview

The following operating and financial review is intended to convey the management’s perspective on the financial condition and operating performance of the Company at the end of Financial Year 2013-14.

This report contains projections, estimates and expectations etc. which are just “forward-looking statements”. Actual results could differ from those expressed or implied in this report. Important factors that may have impact on Company’s operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets, changes in the Government regulations/ policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

B) Economy overview :

Global:

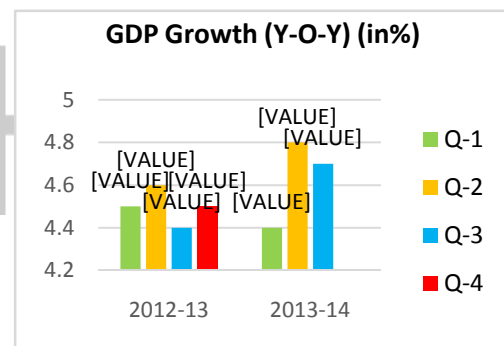
According to the International Monetary Fund (IMF), the global economy expanded by 3.0% in the year of 2013 viz-a-viz growth rate was 3.2% in the Year of 2012. The global economic growth rate was too robust in the second half of 2013, but pick-up was uneven. Stronger growth in advanced economies open up greater export opportunities for manufacturers from emerging economies.

Region	2013	2014	2015*
World	3.0%	3.6%	3.9%
USA	1.9%	2.8%	3.0%
Europe	-0.5%	1.2%	1.5%
China	7.7%	7.5%	7.3%
Japan	1.5%	1.4%	1.0%
AME	1.5%	2.2%	2.3%
EME	4.7%	4.9%	5.3%

* Projected

Indian:

The FY 2013-14 saw the Indian economy recording its second successive year of sub five per cent growth the lowest it has recorded in a decade. The prolonged slowdown was a result of a confluence of factors a policy logjam, higher spending leading to large fiscal deficit, tight monetary conditions and weak external demand coupled with the slowdown was persistent inflation, which raised stagflationary fears.



C) Industry structure:

Global Steel Industry:

After a period of 5 years, since the break out of the global financial crisis and with significant liquidity injection by several large economies, the macro data from the developed economies started showing trends of slow improvement

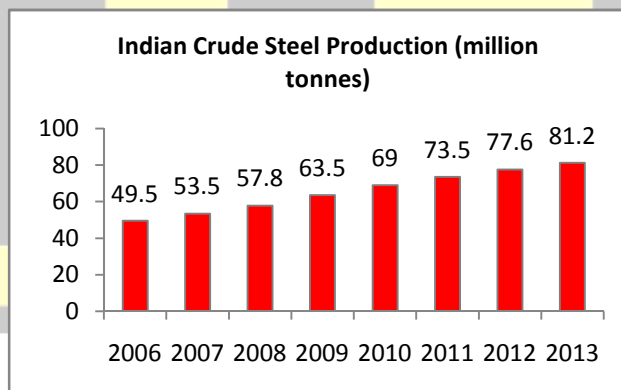
during 2013 even though several structural weaknesses still needs to be addressed before these trends can be considered sustainable. Global growth remains below pre-crisis levels and much weaker than during the rebound that took place in 2010 and 2011.

In 2013, global steel demand grew by 3.6% to 1.48 billion tonnes due to improved performance in the developed economies especially in North America and Euro Zone in the second half of the year. However, growth in emerging markets slowed down in 2013 due to weak demand especially in developed countries and tighter financial conditions. The World crude steel production rose by 3.5% to 1.607 billion tonnes in the year 2013.

Steel industry in India

In 2013, India remained the 4th largest steel producing country in the world, behind China, Japan and the US. Crude steel production increased by 4.6% to 81.2 million tonnes and steel demand raise by 1.8%. India's GDP growth has slowed down to 5% in 2013 on account of rising inflation and tight monetary controls. This has led to weak domestic steel demand, which increased by 3.3% in 2013. This has resulted in India becoming the net exporter of steel in Financial Year 2013-14 after a gap of six year. Total steel exports by India during the Financial Year stood at 5.59 million tonnes, as against imports of 5.44 million tonnes as per the report issued by Joint Plant Committee (JPC), a unit of the steel ministry. India's GDP is expected to grow by 5% and steel demand is expected to attain growth of 3.3% in 2014. Similarly, the construction sector growth is expected to grow by 5% in the next year compared to growth of 1.9% in the Financial Year 2013-14.

Rank	Country	Production in million tonnes		
		2013	2012	Change %
1	China	779.0	716.5	8.7
2	Japan	110.6	107.2	3.2
3	US	87.0	88.7	(1.9)
4	India	81.2	77.6	4.6
5	Russia	69.4	70.4	(1.4)
6	South Korea	66.0	69.1	(4.5)
7	Germany	42.6	42.7	(0.1)
8	Turkey	34.7	35.9	(3.4)
9	Brazil	34.2	34.5	(0.9)
10	Ukraine	32.8	33.0	(0.5)



D) About PRABHAV

Your Company currently operates in two segments, namely, Manufacture of M.S. Ingots from M.S. Steel and Trading in upstream and downstream metal products. Your Company commenced its first phase of operations by undertaking manufacturing of M.S. Ingots from M.S. Scrap and it is heartening to inform you that we have achieving rock- breaking success in the first phase of our operations.

Operational performance:

	FY 14	FY 13
Turnover	19,85,91,744	42,80,01,884
Profit before Tax (PBT)	(5,19,75,367)	12,55,388
Profit after Tax (PAT)	(5,19,75,367)	5,85,638

E) Opportunities for steel Industries

The liberalization of the industrial policy and other initiatives taken by the government have spurred the growth of the private sector in the steel industry. While the existing units are being modernised or expanded, a large number of new steel plants have also come up in different parts of the country based on cost-effective and state-of-the-art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh greenfield projects in different states of India.

Your management perceived that with the increase in global population, there is a greater need for steel to build public-transport infrastructure. Emerging economies will continue to drive demand as these countries require a significant amount of steel for urbanization and industrialization purposes. Even the Gujarat stands for growth model for Infrastructure Development. There are number of Infrastructure projects are under implementation or to be implement in upcoming years in Gujarat. Notwithstanding poor growth in steel demand this year, the future of the industry is bright as India's per capita consumption is low and the government is planning to increase infrastructure spending.

Your Company believes that with increased government's focus on infrastructure and housing sectors, India's steel demand is likely to grow faster than production. While steel production continued to face intense pressure due to the lack of raw materials - iron ore and coal - linkage, its consumption will grow sustainably. The forecast assumes significance in terms of recent announcement by new government which declared increased focus on infrastructure and housing sector.

F) Threats & Risks and concerns:

Steel companies globally have been operating in a challenging environment of rising input costs and limited pricing power (in most years), leading to steady erosion in margins. The volatility in prices of raw materials and energy, including the mismatches between the trends in prices for raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect the Company's profitability.

Declining margins, coupled with sluggish demand growth, has made investors cautious about steel companies. As a result, enterprise value for the Indian steel industry has declined almost 30 percent since FY2010.

Major threaten aspects of steel industries are:

1. Lack of mineral resources like Iron and Coal;
2. Limited supply of natural resources like water and land;
3. Pollution impacts on air and water;
4. Poor skills

G) Outlook

Global

World economy is projected to grow at 3.6% in CY 2014 up from 3% in CY 2013. This is forecast to be driven by the Advance Markets with sharp recovery in Europe from -0.5% to 1.2% and US from 1.9% to 2.8%. Japan is expected to continue pushing monetary easing to stoke demand. Emerging Markets are projected to exhibit a moderate growth at 4.9%. China's increasing focus on "Quality" is expected to moderate its investment stimulated growth from 7.7% in CY 2013 to 7-7.5%.

In terms of raw materials, in the year 2014 international price of iron ore is projected to remain in the range of sub US\$ 100 on CFR China basis. This is because of growing seaborne supplies of iron ore outpacing global demand of approximately 1,200 MT.

Steel demand in the year 2014 is projected to increase by 45 MT (or 3.1%) to 1.527 MT. Europe is expected to record a demand growth of 3.1% while Advanced Markets as a whole are expected to record a demand growth of 2.5%. Growing concerns for pollution controls and tight liquidity is slated to show down growth in Chinese steel demand to about 721 MT. At 3.1%, this would be less than half of the 6.1% growth in the year of 2013.

Indian

A decisive mandate in the General Elections has re-kindled hopes of an economic revival. The new Government has promised to focus on infrastructure development while de-bottlenecking the administrative and clearance procedures. This is expected to boost the investment climate in the Country.

However overcoming two years of policy paralysis as well as correcting the deep structural imbalances in the economy likely to take time. As a result Indian economy is expected to show moderate improvement with GDP growth expected to be the region of 5-6%.

For steel industry critical area of concern continues to be the restrictions on mining resulting in poor availability of iron ore and its inconsistent quality. Despite lifting of mining bans in Goa and Karnataka, continued restrictions have given inadequate relief to Indian steel companies. Another major area of concern is the high import dependency of coking coal despite large domestic resources remaining unutilized. These are some areas where critical policy interventions are required from new government.

Despite some of the challenging outlined above, your Company is ideally placed to benefit from the emerging opportunities because of combination of technology, dynamic product mix, production efficiency and marketing survey.

H) Risks and concerns.

The Steel industry is going through a tough time globally. Global overcapacity and demand slowdown has resulted in historically low international steel prices. This coupled with the poor demand outlook for the domestic market has impacted domestic realizations. Further, anti-dumping duties imposed by the US and many European countries has impacted exports and thereby worsened the domestic demand-supply imbalances. Overall, these factors have impacted the already poor financial health of most players in the domestic steel industry and limited their debt servicing capabilities.

However, your management are confident that due to liberalization of the Indian economy and de-regulation of the steel sector there have been large investment in the Sector. The favorable domestic demand outlook on account of expected growth in the industrial and infrastructure sectors attracted investments in the steel industry. The favorable international steel prices prevalent at that time also encouraged players to invest in fresh capacity.

The Prabhav Industries has risk concerns in respect to:

Raw Material:

Raw materials are crucial in determining the competitive growth of any industry. This is more so for an input-intensive extractive industry like steel. Requirement of major raw materials in the steel industry is determined not only by the rate of growth in output but also by the technology adopted for making the required steel. Choice of technology, in its turn, is influenced by the relative costs of raw materials, energy, labour, capital and more specifically by the entire logistics of movement of raw materials and finished products. But at another level, for obtaining access to basic raw material linkages, especially of iron ore and coal, the industry also has to depend on potential intervention by the state and consensus building within the larger social space.

Environmental Risks

All phases of the oil business present environmental risks and hazards. As a result, they are subject to environmental regulation pursuant to a complex

blend of federal, provincial, and municipal laws and regulations. The Company believes that it is in compliance with current applicable environmental rules and regulations.

Financial Risks

Financial risks associated with the steel industry include fluctuation in raw material prices, interest rates, and currency exchange rates and profitability of the Company depends on the prices and availability of the base oils. The prices of base oil have increased during the last year and have resulted in corresponding increase in cost of production. However, as a general practice in the industry, the higher input costs are passed on to the customer

Operational Risks

Operational risks include competitive environmental factors, reservoir performance uncertainties and dependence upon third parties for commodity transportation & processing and a complex regulatory environment. The Company closely follows the applicable government regulations. The Company carries insurance coverage to protect itself against those potential losses that could be economically insured against.

I) Internal control systems and their adequacy

Your Company maintains an adequate and effective Internal Control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with management authorization and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles and that the assets of your Company are adequately safe-guarded against significant misuse or loss. An independent Internal Audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit program and periodic review by management and audit committee.

J) Human Resources.

The Company recognizes the importance and contribution of its human resources for its growth & development and values their talent, integrity and dedication. Company offers a highly entrepreneurial culture with a team based approach that we believe encourages growth and motivates its employees. The Company has been successful in attracting and retaining key professionals and intends to continue to seek fresh talent to further enhance and grow our business.

Independent Auditor's Report

To the Members of Prabhav Industries Limited

Report on the Financial Statement

We have audited the accompanying financial Statement of **Prabhav Industries Limited**(the Company) which comprises the Balance Sheet as at 31st March 2014, and the statement of Profit & Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the

information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
- c) in the case of the Cash Flow Statement, the cash flows for the year ended on that date.

Report on other legal and Regulatory Requirement

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

2. As required by section 227(3) of the Act, we report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, and Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, and Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
- e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Sheetal Samriya & Associates
Chartered Accountants,
(Firm Registration No.: 011478C)

SD/-
Abhitesh Dubey
Partner
(Membership No.: 147923)
Vadodara,30 May,2014

Annexure to Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal & Regulatory Requirements' section of our report of even date)

- (i) Having regard to the nature of the Company's business/activities/results/during the year, clause (vii),(xi),(xii),(xiii),(xix) of paragraph 4 of the Order are not applicable to the Company.
- (ii) **In Respect of its Fixed Assets:**
- (a) As informed to us, the Company is in the process of compiling records to showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets, according to the practice of the Company are physically verified by the management at reasonable intervals, in a phased verification-programme, which, in our opinion, is reasonable, looking to the size of the Company and the nature of its business. As informed to us, no material discrepancies have been noticed on verification;
- (c) The Fixed Assets disposed of Off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal has , in our opinion, not affected the going concern status of the company. Further the company is in the process of disposing all the Plant &Machinery in the next financial year, which might affect the going concern of the company in one segment.
- (ii) **In Respect of its Inventory:**
- (a) As informed to us, the Inventory of Finished and semi finished goods and raw materials at works were physical verified by the management at reasonable intervals during the year. In our opinion, having regard to the nature and location of stock, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory, and no material discrepancy were noticed on physical verification.
- (iii) The Company has granted unsecured loans to 6companies and 1 Interested Party listed in the register maintained under Section 301 of the Companies Act, 1956. The year balance of loans granted to these was ₹ 364.36Lacs. (P.Y.₹527.81Lacs.)
- In our opinion and according to the information and explanations given to us, the terms and condition of loan given to the parties covered under

in the register maintained under section 301 of the Companies Act, 1956 are not prima facie prejudicial to the interest of the Company.

According to the information and explanations given to us, no repayment schedule has been specified and accordingly the question of regularity in payment of principal amount and interest wherever applicable does not arise. However the said loan is repayable on demand.

The Company has taken unsecured loans from 2 company and 2 Directors listed in the Register maintained under Section 301 of the Companies Act, 1956. The year balance of loans taken from these was ₹ 435.18Lacs. (P.Y. ₹280.67Lacs)

In respect of above Loans taken, no repayment schedule has been specified with regard to the Interest / Repayment or any other terms and conditions.

- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) According to the information and explanations given to us, the details of transaction that needed to be entered in the register in pursuance of section 301 of the Company Act, 1956, have been so entered. According to information and explanations given to us, the transactions of purchase and sale of goods/services made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) The Company has not accepted deposits from other corporate which attracting the provisions of section 58A and 58AA of the Companies Act, 1956, and the rules framed there under.
- (vii) The system of internal audit of the Company needs to be strengthened and commensurate with the size and nature of its business.

(viii) **In respect of statutory dues:**

(a) According to the information, explanation and records verified by us the Company has generally been regular in depositing Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom duty, Excise Duty, Cess, other material statutory dues applicable to it with the appropriate authorities. We are informed that the company intends to obtains exemption from Provident Fund, Employees state insurance Act.

(b) There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Custom Duty, Cess and other material statutory dues in arrears as at 31 March, 2014 for a period of more than six months for the date they become payable.

- X) Accumulated losses at the end of financial year ended on 31st March, 2014 is ₹ 5,59,10,545.86/- which does not exceed 50% of its net worth and it has not incurred cash losses in the financial year ended on the date and in the immediately preceding financial Year.
- (xi) The Company is dealing in or trading in share, securities, Debenture or other investment. The Company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. Further such securities have been held by the Company in its own name or are in the process of transfer in its own Company name.
- (xii) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xiii) According to the information and explanations given to us and as per records made available for our verification, the Company has not taken any term loan during the year.
- (xiv) In our opinion and according to the information and explanation given to us and overall examination of the balance sheet of the company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
- (xv) As the Company has not made any preferential allotment of shares during the year to parties and companies covered in the Register maintained under Section 301 of the Act, the provisions of clause 4(xviii) of the Order are not applicable to the Company.
- (xvi) The Company has not raised any money by public issue during the year.
- (xvii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud was noticed or reported during year.

For Sheetal Samriya & Associates
Chartered Accountants,
(Firm Registration No.:011478C)

SD/-
Abhitesh Dubey
Partner
Membership No.: 147923
Vadodara, 30 May, 2014.



BALANCE SHEET AS AT MARCH 31, 2014

(Amount in ₹.)

	Note No.		As at 31/03/2014		As at 31/03/2013
EQUITY AND LIABILITIES					
1) Shareholders' Funds					
(a) Share capital	2	46,08,91,000.00		46,08,91,000.00	
(b) Reserves and surplus	3	96,99,46,454.14	1,43,08,37,454.14	1,02,19,21,822.00	1,48,28,12,822.00
2) Share application money pending allotment					
			3,50,000.00		4,93,750.00
3) Non-current liabilities					
(a) Long-term borrowings	4	133979369.53		39,64,59,577.00	
(b) Deferred tax liabilities (Net)	5	1508168.00		15,08,168.00	
(c) Other long term liabilities	6	89117846.99		10,78,07,898.00	
(d) Other long term provisions	7	0.00	224605384.52	-	50,57,75,643.00
4) Current liabilities					
(a) Trade payables	8	13675128.85		4,22,40,948.00	
(b) Other current liabilities	9	313010.50		6,00,510.00	
(c) Short-term borrowing	10	23721565.97		2,65,48,923.00	
(d) Other Short term provisions	11	2214400.00	39924105.32	55,20,212.00	7,49,10,593.00
TOTAL			1,69,57,16,945.43		2,06,39,92,808.00
ASSETS					
5) Non-current Assets					
(a) Fixed Assets	12				
(i) Tangible assets		68371051.66		7,08,78,635.00	
(ii) Intangible assets		201656.00		2,34,239.00	
iii) Capital work-in-progress		0.00	68572707.66	74,55,522.00	7,85,68,396.00
(b) Non-current investments	13	560337000.00		83,97,93,500.00	
(c) Long-term loans and advances	14	326779877.53		31,63,98,708.00	
(d) Other non-current assets	15	718620757.17	1605737634.70	75,92,25,254.00	1,91,54,17,462.00
6) Current Assets					
(a) Inventories	16	15327302.60		2,93,64,174.00	
(b) Trade receivables	17	2877592.00		2,14,26,204.00	
(c) Cash and Bank Balances	18	85837.64		25,66,286.00	
(d) Short-term loans and advances	19	3115870.83		1,66,50,286.00	
(e) Other Current Assets	20	0.00	21406603.07	-	7,00,06,950.00
TOTAL			1,69,57,16,945.43		2,06,39,92,808.00

Summary of significant accounting policies

1

The Notes are an integral part of financial statements

This is the Balance sheet referred to in our report even date

For Sheetal Samriya & Associates
Chartered Accountants
 Firm Registration No.: 011478C

For and on behalf of the Board of Directors of
Prabhav Industries Limited

Sd/-
 Abhitesh Dubey
 Partner
 Membership No.147923
 Vadodara,30 May,2014.

Sd/-
 Mr Jayesh Thakkar
 Managing director
 DIN:01631093

Sd/-
 Mr. Ketan B Patel
 Director
 DIN:03274278

Vadodara,30 May,2014.





STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2014.

		(Amount in ₹.)		
	Note No.		Year ended 31/03/2014	Year ended 31/03/2013
1) REVENUE				
(a)		Revenue from operations (Net of Excise Duty)	19,85,91,743.70	42,80,01,884.00
(b)		Other income	46,85,096.81	3,63,36,805.00
		Total Revenue	20,32,76,840.51	46,43,38,689.00
2) EXPENSE				
(a)		Cost of Material Consumed	18,88,79,737.58	35,00,30,738.00
(b)		Purchases of stock-in-trade	85,78,081.75	4,37,15,764.00
(c)		Changes in inventories of finished goods, WIP	1,22,66,452.40	1,86,67,872.00
(d)		Employee benefits expense	14,50,818.00	17,67,714.00
(e)		Finance costs	47,11,168.04	35,69,870.00
(f)		Depreciation and amortization expense	97,22,463.00	70,77,189.00
(g)		Other expenses	2,95,63,306.21	3,82,54,154.00
		Total Expenses	25,51,72,026.98	46,30,83,301.00
3)		Profit before Exceptional Items and Tax	(5,18,95,186.47)	12,55,388.00
4)		Exceptional Items (Net)	80,181.39	-
5)		Profit before Tax	(5,19,75,367.86)	12,55,388.00
6)		Tax Expenses:		
(a)		Current Tax	-	2,39,200.00
(b)		Mat Credit	-	-
(c)		Deferred Tax	-	4,30,550.00
7)		Profit After Tax	(5,19,75,367.86)	5,85,638.00
8)		Nominal value per share		
		Basic value per share	(1.13)	0.01
		Diluted Earning per share	(1.13)	0.01

Summary of significant
accounting policies

1

The Notes are an integral part of financial statements

This is the Profit and Loss Statement referred to in our
report even date

For Sheetal Samriya & Associates
Chartered Accountants

Firm Registration No.: 011478C

Sd/-

Abhitesh Dubey

Partner

Membership No. 147923

Vadodara, 30 May, 2014.

For and on behalf of the Board of Directors of
Prabhav Industries Limited

Sd/-

Mr Jayesh Thakkar

Managing director

DIN: 01631093

Vadodara, 30 May, 2014.

Sd/-

Mr. Ketan B Patel

Director

DIN: 03274278



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

	Year ended 31/03/2014	(Amount in ₹.) Year ended 31/03/2013
A. Cash Flow from Operating Activities :		
Profit before Tax	(5,19,75,368)	12,55,388
Adjustments for:		
Depreciation and Amortisation Expense	97,22,463	70,77,189
Other non-operating income (Incl Written - off)	(4,882)	3,22,728
Interest expense	45,31,372	26,33,813
Preliminary Expenses W off	5,57,007	5,57,006
Income Tax Provision	-	-
Dividend Income	1,180	11,753
Profit on sale of investment	11,043	2,90,33,819
Interest income	46,67,992	69,68,505
Operating Profit before Working Capital changes	(4,18,49,623)	(2,41,67,953)
Adjustments for :		
Inventories	1,40,36,871	2,37,96,132
Trade receivables and Other Receivable	1,85,48,612	(1,79,03,829)
Trade payable and Other Payables	(2,85,65,819)	1,35,59,569
Increase/(Decrease) in Loans & Advances & Other Assets	5,41,38,912	(12,63,25,673)
Increase/(Decrease) in Liability	(1,89,77,551)	(4,41,88,419)
Increase/(Decrease) in provisions	(33,05,812)	9,23,623
Cash Generated from Operation	(59,74,409)	(17,43,06,550)
Direct Tax Paid	-	-
Net Cash inflow from/ (outflow) from Operating activities	(59,74,409)	(17,43,06,550)
B. Cash Flow from Investing Activities :		
Purchase of fixed assets	(1,26,772)	(2,28,44,035)
Sale Proceeds from investments & fixed assets	27,98,56,500	12,16,63,419
Interest received	46,67,992	69,68,505
Dividend received	1,180	11,753
Net Cash inflow from/ (outflow) from Investing activities	28,43,98,900	10,57,99,642
C. Cash Flow from Financing Activities :		
Proceeds / Repayment from Long Term Borrowing(Net)	(26,30,21,290)	7,72,69,422
Proceeds/ Repayment from Loans and Advances (Net)	(1,03,81,170)	(64,22,615)
Short term borrowings & Interest paid	(75,02,479)	(26,33,813)
Net Cash inflow from/ (outflow) from Financing activities	(28,09,04,939)	6,82,12,994
Net increase / (decrease) in cash and cash equivalents	(24,80,448)	(2,93,914)
Opening Cash and Cash Equivalents		
Cash in hand	3,96,662	5,26,515
Bank balances	21,69,624	23,33,686
	25,66,286	28,60,201
Closing Cash and Cash Equivalents		
Cash in hand	67,680	3,96,662
Bank balances	18,157	21,69,624
	85,838	25,66,286

Additional Information :

1) The Above Cash Flow Statement has been prepared under the 'Indirect Method as set out in the Accounting Standard on 'Cash Flow Statement (AS-3)' issued by the Companies Accounting Standard Rules,2006

2) Figures in bracket represent outflows.

3) Previous year figures have been recast/restated where necessary
This is Cash Flow Statement referred to in our report of even date

For Sheetal Samriya & Associates
Chartered Accountants

Sd/-
Abhitesh Dubey
Partner
Membership No. 007854
Vadodara,30 May,2014.

For and on behalf of the Board of Directors of
Prabhav Industries Limited

Sd/-
Mr Jayesh Thakkar
Managing director
Vadodara,30 May,2014.

Sd/-
Mr. Ketan B Patel
Director

Notes Forming Part of the Financial Statements

1. General Information

Prabhav Industries Limited is Public Limited Company incorporated in India under the provisions of the Companies Act, 1956. The Company's strength lies in the business process of manufacturing of MS Ingots and also in Trading of Metal Scraps.

2. Basis of preparation and presentation of financial statements

(a) Accounting Convention

The Accounts of the Company are prepared under the Historical Cost Convention on the Accrual Basis of Accounting in accordance with the Generally Accepted Accounting Principles in India ("GAAP") and in compliance with the mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, and with the relevant provisions of the Companies Act, 1956. The Financial Statements are presented in Indian Rupees rounded off to the nearest rupees.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting periods. Examples of such estimate include future obligations under employee benefit plans, income taxes, useful lives of fixed assets and intangible assets, impairment of assets, provision for doubtful debts etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could vary from these estimates. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized in the period in which such results are known/ materialized. Effect of material changes is disclosed in the notes to the financial statements.

The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisitions of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities.

(b) Tangible Assets, Depreciation

- i. Tangible assets are stated at Cost less Accumulated Depreciation, Impairment loss, if any, ascertained as per the Accounting Standard 28 (Impairment of Assets). Cost comprises the Purchase Price and any such costs attributable for the purpose of bringing the asset to its working condition for its intended use.
- ii. Tangible Assets under construction, Advances paid towards acquisition of Tangible Assets and Cost of Assets not ready for use as at the year end, are disclosed as Capital Work-In Progress.
- iii. In respect of Tangible Assets depreciation is provided on Straight line basis applying the rates specified in schedule XIV of Companies Act 1956 except Computer.
- iv. Tangible Assets below ₹10000 are fully depreciated in the year of acquisition.

(c) Investment

Investments of long term-nature are stated at cost, less adjustment for any diminution, other than temporary, in the value thereof. Current Investment are stated at lower of cost or market value.

(d) Inventory

1. Finished and Semi-Finished Products produced and purchased by the company are carried at Cost and net realisable value, whichever is lower.
2. Work in Progress is carried at lower of cost and net realisable value.
3. Raw Material is carried at lower of cost and net realisable value.
4. Stores and Spares parts are carried at cost. Necessary provision is made and expensed in case of identified obsolete and non moving items.

Cost of Inventory is generally ascertained on the 'Weighted average' basis.

Cost Comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Packing Material is considered as finished goods. Consumable stores are written off in the year of Purchase.

(e) Employee Benefits

Provision for Gratuity, Leave Encashment and bonus has not been made as none of the employee have completed the minimum qualified period of services.

(f) Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets. Cash flows used to determine value in use are derived from annual budgets and strategic plans of the cash generating units.

(g) Revenue Recognition

Sale are recognized on when substantial risks and rewards of ownership in the goods are transferred to the buyer i.e. delivery as per terms of sale.

(h) Other Income

Interest Income and income from Investments are accounted on accrual basis.
Dividend Income is recognized when the right to receive dividend is established.

(i) Foreign Currency Transactions

Transactions in Foreign Currency and Non-Monetary Assets are accounted for at the Exchange Rate prevailing on the date of the transaction. All monetary items denominated in Foreign Currency are converted at the Year-End Exchange Rate. The Exchange Differences arising on such conversion and on settlement of the transactions are recognized as income or as expenses in the year in which they arise.

(j) Taxes on Income

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred Tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets.

Deferred Tax Assets are recognized and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(k) Cash & Cash Equivalent

Cash & Cash Equivalent for the purpose of cash flow statement comprises of cash at bank and in hand and short term investments/ bank deposits with an original maturity of three months or less.

(l) Provisions

A Provision is recognized when company has a present obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

(m) Trade Receivables:

In respect of Receivable for Sundry Debtors (Incl. Receivable on Sale of Investments) of ₹28.77 Lacs and Other Trade receivable, the amount of Bad & Doubtful Debts are is not ascertainable on account of non- receipt of confirmation from the party.

(n) In respect of loan and advances, the amount of bad and doubtful debts is not ascertainable on account of non- receipt of confirmation from the party.

(o) In the opinion of the Directors, Current Assets, Loans & Advances have values at which they are stated in the Balance Sheet, if realized in the ordinary course of business. The provision for depreciation and all known liabilities is adequate.

(p) Sundry Creditors, Unsecured loans, other liabilities, loans and advances, sundry debtors, and other current assets are subject to confirmation.

(q) Micro Small & Medium Enterprise: The Company is in the process of compiling the relevant information. Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management. This has been relied upon by us.

(r) In the opinion of the Management, the Provident Fund and ESI act are not applicable, hence no provision have been made for the same.

(s) Earning & Expenditure in Foreign Currency :Nil (P.Y. – Nil)

(t) Directors Remuneration: 2,92,500 (P.Y. – 3,72,000)

(u) Auditors Remuneration : 56180 (P.Y.185394)

(v) Related party disclosures

a. List of related parties with whom transaction have taken place

Sr. No.	Name of the Related Party	Relationship
A	Associates Companies	
1.	Pavitra Corporation.	Companies / Firms in which Directors / Relative of Director are interested
2.	Natural Expo Agro Industries Ltd.	
3.	Pacific Finstock Ltd.	
4.	Pacific Securities Ltd.	
5.	Kavit Industries Ltd.	
6.	Ranger Software Tech. Pvt Ltd.	
7.	Kavit Logistics.	
B	Key Management Personnel	
	Jayesh Thakkar Bhavesh Desai	Director of the Company
C	M ^{rs} Artiben J Thakkar	Relative of the Director

2 SHARE CAPITAL :		
	As At 31 March,2014	As At 31 March,2013
AUTHORISED		
5,50,00,000 Equity Shares of ₹10/- each	55,00,00,000.00	55,00,00,000.00
TOTAL	55,00,00,000.00	55,00,00,000.00
ISSUED, SUBSCRIBED & PAID-UP		
Issued:		
5,08,60,000 Equity Shares of ₹ 10/- each issued	50,86,00,000.00	50,86,00,000.00
Subscribed & Paid up:		
50760500 Equity shares of ₹10/- each	50,76,05,000.00	50,76,05,000.00
Less : Shares Forfeited	4,67,14,000.00	4,67,14,000.00
TOTAL	46,08,91,000.00	46,08,91,000.00

Terms/rights attached to equity shares:

2.1 The company has only one class of equity shares having a par value of ₹.10/- per share. Each Holder of equity shares is entitled to vote per share. The company declares and of pays dividends in Indian rupees. The dividend proposed, if any, by the Board Directors is Meeting. During the year ended 31st March subject to the approval of the shareholders in the ensuing Annual General 2014, was ₹. Nil (Previous Year ₹.Nil) the amount of per share dividend recognised as distributions to equity shareholder

2.2 Details of Share holders holding more than 5% of Shares are as under:-

Name	Category	As at 31 March,2014		As at 31 March,2013	
		% of Shareholding	No of Shares	% of Shareholding	No of Shares
Raga Securities & Finance Pvt Ltd	Corporate	6.55%	3016838	6.55%	3016838

2.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :-

Particulars	As on 31-03-2014		As on 31-03-2013	
	Number of Shares	₹ in Lakhs	Number of Shares	₹ in Lakhs
Outstanding at the beginning of the year	4,60,89,100.00	46,08,91,000.00	4,60,89,100.00	46,08,91,000.00
Add : Fresh issue during the year	---	---	---	---
Outstanding at the end of the year	4,60,89,100.00	46,08,91,000.00	4,60,89,100.00	46,08,91,000.00

	As At 31 March, 2014	As At 31 March, 2013
3 RESERVES AND SURPLUS :		
Securities Premium Reserve		
Opening at beginning	1,02,58,57,000.00	1,02,58,57,000.00
Addition during the year	---	---
Utilised during the year	---	---
Closing at end	1,02,58,57,000.00	1,02,58,57,000.00
General Reserve		
Opening at beginning	---	---
Addition during the year	---	---
Utilised during the year	---	---
Closing at end	---	---
Surplus/(Deficit)		
Opening at beginning	(39,35,178.00)	(45,20,816.00)
Addition during the year	(5,19,75,367.86)	5,85,638.00
Closing at end	(5,59,10,545.86)	(39,35,178.00)
Grand Total	96,99,46,454.14	1,02,19,21,822.00

	As At 31 March, 2014	As At 31 March, 2013
4 LONG-TERM BORROWINGS :		
Secured Term Loans		
i) From Banks	---	2,95,666.00
ii) From Financial Institutions	---	---
iii) From NBFC	---	---
Sub-Total (a)	---	2,95,666.00
Unsecured Term Loans		
i) Loans and Advances from related parties		
From Directors	2,41,57,637.53	2,65,65,090.00
From Corporates	6,91,500.00	15,02,000.00
ii) Other Loans and Advances		
From Corporates	2,07,78,502.00	29,81,43,001.00
Others	8,83,51,730.00	6,99,53,820.00
Sub-Total (b)	13,39,79,369.53	39,61,63,911.00
Total (a+b)	13,39,79,369.53	39,64,59,577.00

4.1 All the Unsecured loans are without any repayment schedule but are payable on demand.

5 DEFERRED TAX :	As At 31 March,2014	As At 31 March,2013
Carry Forward losses & Depreciation	---	---
Others	---	---
Total Deferred Assets	---	---
Depreciation Differences	---	15,08,168.00
Total Deferred Liabilities	---	15,08,168.00
Net Deferred(Liability)/Assets	---	15,08,168.00
Net Deferred Tax(Liability)/Assets*	---	15,08,168.00
Amount debited/(Credited) to Profit & Loss Statement	---	---

* Current Year depreciation has not been calculated.

* Deferred tax liability for the year have been arrived at by taking the tax rate of 33.99% (PY 32.445%) which is inclusive of surcharge and education cess.

* During the current the management has decided to stop the operation & has kept the whole plant & Machinery for sale, so deferred tax has not be determined.

6 OTHER LONG TERM LIABILITIES :	As At 31 March,2014	As At 31 March,2013
Trade Payables	8,91,17,846.99	10,78,07,898.00
Others*	---	---
Total	8,91,17,846.99	10,78,07,898.00

7 OTHER LONG TERM PROVISIONS :	As At 31 March,2014	As At 31 March,2013
Provision for Employee Benefits		
Provision for Gratuity	---	---
Leave Encashment	---	---
Total	---	---

7.1 The Management is of the Opinion that none of the employees falls with in the provision of Gratuity,PF,ESIC and others, so no provision has been done.

7.2

8 TRADE PAYABLES :	As At 31 March,2014	As At 31 March,2013
Trade Payables*	1,36,75,128.85	4,22,40,948.00
Total	1,36,75,128.85	4,22,40,948.00

*Trade payables are for goods purchased and services taken during the normal course of business.

8.1 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 amount unpaid at the year end together with interest paid/payable under the Act have not been given.

8.2 Trade Payable having scheduled payment beyond 12 months after reporting date ₹. Nil (Previous Year ₹ Nil)

9 OTHER CURRENT LIABILITIES :	As At 31 March,2014	As At 31 March,2013
Current Maturities of Long-Term Loans		
Secured Term Loans		
From Banks	---	---
From Financial Institutions	---	---
From NBFC	---	---
Total (A)	---	---
Unsecured Term Loans		
From NBFC	---	---
Total (B)	---	---
Others		
Creditors for capital Expenditure	---	---
Advance received from customers#	---	4,32,604.00
Statutory Dues	3,13,010.50	1,67,906.00
Others	---	---
Total (C)	3,13,010.50	6,00,510.00
Interest Accrued but not Due on Borrowings	---	---
Grand Total (A+B+C)	3,13,010.50	6,00,510.00

9.1 Statutory dues includes VAT, Excise Duty, TDS, service tax & other statutory payables.

9.2 Advances received from customer includes advances against future Sales to be held in next 12 Months

9.3 Other Current liabilities includes rent payable , interest payable and staff dues.

10 SHORT-TERM BORROWINGS :	As At 31 March,2014	As At 31 March,2013
Secured		
Working capital facilities from Banks	2,37,21,565.97	2,65,48,923.00
	2,37,21,565.97	2,65,48,923.00
Unsecured		
Deposits From Public	---	---
Loans From related parties	---	---
Loans From others	---	---
	---	---
Grand Total	2,37,21,565.97	2,65,48,923.00

10.1 Working capital facilities include Cash Credit Facilities from UCO Bank outstanding ₹235.41 lacs which are secured by charge by way of hypothecation of stock of raw materials, finished goods, consumables, stores, spares, book-debts (excluding credit card receivables), bills etc. of the company . There is also charge on the Plant & Machinery of the company.

11 OTHER SHORT-TERM PROVISIONS :	As At 31 March,2014	As At 31 March,2013
Provision for Employee Benefits		
Provision for Gratuity	---	---
Leave Encashment	---	---
Others	1,00,000.00	1,35,535.00
Total (A)	1,00,000.00	1,35,535.00
Provision for Expenses		
Provision for Income Tax	21,14,400.00	32,70,877.00
	21,14,400.00	53,84,677.00
Total (B)	21,14,400.00	53,84,677.00
Total (A+B)	22,14,400.00	55,20,212.00

*Provision for employee benefits includes provision of Gratuity, Bonus & leave encashment payable within 12 month.

Others includes salary and other expense payable to staff

12 Fixed Assets :										
a)	Tangible Assets	Building	Plant & Machinery	Other Plant & Machinery	Furniture & Fixtures	Office Equipments	Computers	Vehicle	Auto level meter	Total
	Gross Block as at 01.04.2013	59,60,010	6,70,71,594	1,48,14,987	2,84,513	87,035	7,90,793	16,33,311	10,500	9,06,52,743
	Addition during the year	74,80,412	78,384	-	-	23,500	-	-	-	75,82,296
	Deduction during the year	-	4,00,000	-	-	-	-	-	-	4,00,000
	Revaluation / Impairments during the year	-	-	-	-	-	-	-	-	-
	Gross Block as at 31.03.2014	1,34,40,422	6,67,49,978	1,48,14,987	2,84,513	1,10,535	7,90,793	16,33,311	10,500	9,78,35,039
	Accumulated Depreciation as at 01.04.2013	15,55,172	1,15,24,518	53,81,954	1,35,657	34,038	6,68,368	4,64,880	9,520	1,97,74,107
	Depreciation during the year	4,42,541	76,81,592	13,12,134	26,943	13,484	49,677	1,62,529	980	96,89,880
	Depreciation on assets written off during the year	-	-	-	-	-	-	-	-	-
	Accumulated Depreciation as at 31.03.2014	19,97,713	1,92,06,110	66,94,088	1,62,600	47,522	7,18,045	6,27,409	10,500	2,94,63,987
	Net Block as at 31.03.2014	1,14,42,709	4,75,43,868	81,20,899	1,21,913	63,013	72,748	10,05,902	-	6,83,71,052
	Net Block as at 31.03.2013	44,04,838	5,55,47,076	96,67,272	1,48,856	52,997	1,22,425	11,68,431	980	7,11,12,875

a)	Intangible Assets	Software	Total
	Gross Block as at 01.04.2013	9,45,000	9,45,000
	Addition during the year	-	-
	Deduction during the year	-	-
	Revaluation / Impairments during the year	-	-
	Gross Block as at 31.03.2014	9,45,000	9,45,000
	Accumulated Depreciation as at 01.04.2013	7,10,761	7,10,761
	Depreciation during the year	32,583	32,583
	Depreciation on assets written off during the year	-	-
	Accumulated Depreciation as at 31.03.2014	7,43,344	7,43,344
	Net Block as at 31.03.2014	2,01,656	2,01,656
	Net Block as at 31.03.2013	2,34,239	2,34,239

13 NON-CURRENT INVESTMENTS :	As At 31 March,2014	As At 31 March,2013
A Trade Investments (Unquoted At Cost)		
Other Investment		
Fully Paid up Equity Shares 9.49 cm	47,56,37,000.00	46,28,68,500.00
Partly Paid up Equity Shares	3,17,00,000.00	14,72,50,000.00
Share Application Money	5,30,00,000.00	22,96,75,000.00
Sub-Total (A)	56,03,37,000.00	83,97,93,500.00
B Other Investments (Unquoted at Market Value)	---	---
	---	---
Sub-Total (B)	---	---
Total (A+B)	56,03,37,000.00	83,97,93,500.00
Aggregate amount of quoted Investments	56,03,37,000.00	83,97,93,500.00
Market Value of quoted Investments	---	---
Aggregate book value of un-quoted Investments	56,03,37,000.00	83,97,93,500.00

13.1 Investment in shares includes investments in various corporates & private limited companies. Investment are stated at cost.

14 LONG -TERM LOANS AND ADVANCES :	As At 31 March,2014	As At 31 March,2013
(Unsecured and Considered Good)		
i) Loans and Advances from related parties		
From Corporates	---	---
Others	---	---
Sub-Total (A)	---	---
ii) Other Loans and Advances		
From Corporates	15,34,20,782.50	23,16,34,392.00
Others	17,33,59,095.03	8,47,64,316.00
Sub-Total (B)	32,67,79,877.53	31,63,98,708.00
Total (A+B)	32,67,79,877.53	31,63,98,708.00

*Other includes includes balances with statutory Authority, electricity deposits & lease rent deposits & others.

15 OTHER NON-CURRENT ASSETS :	As At 31 March,2014	As At 31 March,2013
(Unsecured and Considered Good)		
Trade Receivables #	71,74,83,672.38	75,80,50,835.00
Statutory Dues	5,39,376.17	---
Others *	5,97,708.62	11,74,419.00
Total	71,86,20,757.17	75,92,25,254.00

*Others includes Miscellaneous Expenditure & Pre- operative Expense etc.

#Trade Receivable includes receivable from Sale of investment, trading sales & Manufacturing sales.

16 INVENTORIES :	As At 31 March,2014	As At 31 March,2013
(Valued at lower of cost & NRV whichever is less & certified by management)		
Raw Material	62,67,321.00	80,37,740.00
Finished Goods	90,14,381.60	2,03,80,704.00
Work in Progress	45,600.00	9,45,730.00
	1,53,27,302.60	2,93,64,174.00

17 TRADE RECEIVABLES :	As At 31 March,2014	As At 31 March,2013
(Unsecured and Considered Good)		
Outstanding for a period exceeding six months from the due date of payment		
Considered Good	---	---
Doubtful	---	---
Outstanding for a period less than six months from the due date of payment		
Considered good	28,77,592.00	2,14,26,204.00
Doubtful	---	---
	28,77,592.00	2,14,26,204.00
Provision for doubtful trade receivables	---	---
Total	28,77,592.00	2,14,26,204.00

18 CASH & BANK BALANCE :	As At 31 March,2014	As At 31 March,2013
Cash & Cash Equivalents		
Cash on Hand	67,680.26	3,96,662.00
Balances with Bank		
On current Accounts: (With Scheduled Bank)	18,157.38	21,69,624.00
Total	85,837.64	25,66,286.00

19 SHORT TERM LOANS & ADVANCES :	As At 31 March,2014	As At 31 March,2013
Prepaid Insurance	65,269.00	---
Advance to suppliers for goods & services*	---	1,25,09,653.00
TDS / TCS Receivable	21,84,438.83	16,07,786.00
Staff Advances & Loan	---	---
Advance Income Tax	8,28,770.00	17,46,741.00
Mat Credit Entitlement	---	---
Balance with Govt. authorities	---	---
Others	37,393.00	7,86,106.00
Total	31,15,870.83	1,66,50,286.00

*Advances to suppliers for goods & services includes advances against purchases & services which is received in next 12 Months.

20 OTHER CURRENT ASSETS :	As At 31 March,2014	As At 31 March,2013
Statutory Dues	---	---
Others	---	---
Total	---	---

21 - REVENUE FROM OPERATIONS		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Sale of Products (Gross)	23,11,25,249.66	38,67,51,499.00
Less: Excise Duty	3,46,07,447.90	4,23,96,928.00
Total	19,65,17,801.76	34,43,54,571.00
Sale of Shares	20,73,941.94	4,62,87,712.00
Other Operating Revenues	-	3,73,59,601.00
Total	19,85,91,743.70	42,80,01,884.00

22 - OTHER INCOME		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest Income	46,67,991.50	69,68,505.00
Rent Income	-	-
Dividend Income	1,180.00	11,753.00
Miscellaneous Income	-	-
Net gain/loss on sale of investments	11,043.00	2,90,33,819.00
Other non-operating income (net of expenses directly attributable to such income incl Written off)	4,882.31	3,22,728.00
Total	46,85,096.81	3,63,36,805.00

23 - COST OF MATERIAL CONSUMED		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Opening Stock of Raw Materials	80,37,740.00	1,31,66,000.00
Add: Purchases of Raw Materials	18,71,09,318.58	34,49,02,478.00
Less: Closing Stock of Raw Materials	62,67,321.00	80,37,740.00
Total	18,88,79,737.58	35,00,30,738.00

24 - PURCHASE OF STOCK-IN-TRADE		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Trading Purchase*	85,78,081.75	4,37,15,764.00
Total	85,78,081.75	4,37,15,764.00

*Trading Purchase includes purchase of equity shares & Material for trading.

25 - CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<u>Opening Inventory</u>		
Finished Goods	2,03,80,704.00	3,35,25,000.00
Equity Shares	9,45,730.00	64,69,306.00
Sub total (A)	2,13,26,434.00	3,99,94,306.00
<u>Closing Inventory</u>		
Finished Goods	90,14,381.60	2,03,80,704.00
Equity Shares	45,600.00	9,45,730.00
Sub total (B)	90,59,981.60	2,13,26,434.00
Total (A+B)	1,22,66,452.40	1,86,67,872.00

26 - EMPLOYEE BENEFIT EXPENSES		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Director's Remuneration	2,92,500.00	3,72,000.00
Salaries and incentives	6,88,202.00	9,67,761.00
Security Expenses	3,92,257.00	4,10,032.00
Staff welfare expenses	77,859.00	17,921.00
Total	14,50,818.00	17,67,714.00

27 - FINANCE COST		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Interest expense	45,31,371.99	26,33,813.00
Other borrowing Interest	30,422.82	5,84,748.00
Bank Charges	1,49,373.23	3,51,309.00
Total	47,11,168.04	35,69,870.00

28 - OTHER EXPENSES		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
<u>MANUFACTURING EXPENSES</u>		
Power & Fuel Charges	2,14,60,515.59	2,87,22,395.00
Labour & Wages Charges Expenses	12,42,290.00	10,84,188.00
Freight & Carting Charges	18,80,102.00	33,59,247.00
Other Direct Charges	5,86,550.00	3,96,231.00
Factory Expense	64,314.00	2,39,446.00
Sub Total (A)	2,52,33,771.59	3,38,01,507.00
<u>ADMINISTRATIVE EXPENSES</u>		
Advertisement Expenses	11,000	63,036.00
Audit Fees	56,180	1,85,394.00
Building Maintenance Charges	76,559	97,171.00
Brokerage	21,079	70,830.00
Conveyance & Vehicle running Expense	7,700	6,356.00
Donation	36,000	23,001.00
Demat	6,461	3,384.00
Licence Fees	-	-
Listing Fees	89,888	-
Electricity Expenses	1,08,571	1,40,726.00
Miscellaneous Expenses	-	-
Fees, Rates & Taxes	1,12,360	2,65,320.00
Internet Charges	23,367	16,262.00
Legal & Professional Fees	2,30,780	2,18,601.00
Office & Miscellaneous Expenses	92,302	84,035.00
Penalty Paid to Stock Exchange	-	42,203.00
Post and Courier Expenses	22,583	4,594.00
Printing & Stationery Expenses	49,469	81,053.00
Rent, Rates & Taxes	9,00,000	11,71,910.00
Registration & Filing Fees	2,000	75,700.00
Subscription / Membership Fees	-	11,276.00
Telephone Expenses	1,37,048	1,17,156.00
Travelling Expenses	2,35,273	6,23,384.00
Other Administrative Expense	4,67,133	3,76,240.00
Sub Total (B)	26,85,753	36,77,632.00

OTHER EXPENSES		
Preliminary & Shares Issued Expenses W-off.	5,57,007	5,57,006.00
Insurance Expenses	1,34,573	83,187.00
Sales and Promotion Expenses	15,000.00	1,34,822.00
Sundry Balance W/off	9,37,201.85	-
Sub Total (C)	16,43,782	7,75,015.00
Total (A+B+C)	2,95,63,306	3,82,54,154.00

29 - EARNINGS PER EQUITY SHARES		
Particulars	Year Ended March 31, 2013	Year Ended March 31, 2012
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	(5,19,75,368)	5,85,638.00
Weighted average number of equity shares	4,60,89,100	4,60,89,100
Basic Earnings Per Share	(1.13)	0.01
Face value per Share	10	10
Dilutive Earnings per Share		
Profit after adjusting interest on potential equity shares	(5,19,75,368)	5,85,638
Weighted average number of equity share after considering potential equity shares	4,60,89,100	4,60,89,100
Dilutive Earnings per Share	(1.13)	0.01

PRABHAV



PRABHAV INDUSTRIES LIMITED

Regi. Office: 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara-390005, Gujarat

Email: info@prabhav.co.in

Phone No.: 0265-2361100, 2362200 | **FAX:** 0265-2361551 |

CIN: L45200GJ1995PLC028373

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company to be held at the Registered Office of the Company situated at 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara-390005, Gujarat at 11:00 A.M. on 23rd September, 2014.

Name of the Shareholder(s) (In Block Capital):

Name of the Proxy (In Block Capital):

Folio No. / Client ID No.:

DP. ID No.:

Signature(s), if Shareholder(s):.....

If Proxy:.....

NOTE: No duplicate attendance slip will be issued at the Meeting hall. You are requested to bring your copy of the Notice of AGM to the Meeting. Photo copies of the Attendance slips will not be accepted. Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall.

PRABHAV



PRABHAV INDUSTRIES LIMITED

Regi. Office: 902, Galav Chamber, Opp. Sardar Patel Statue, Sayajigunj, Vadodara-390005, Gujarat
Email: info@prabhav.co.in

Phone No.: 0265-2361100, 2362200 | **FAX:** 0265-2361551 | **CIN:** L45200GJ1995PLC028373

PROXY FORM

[Pursuant to section 105 (6) of the Companies Act, 2013 and rules 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
E-mail ID:	
Folio No/ Client No:	
DP ID:	

I/We..... being the member(s) of..... Shares of the above named Company, hereby appoint:

1	Name:	Address:
	Email ID:	Signature:
2	Name:	Address:
	Email ID:	Signature:
3	Name:	Address:
	Email ID:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on the Tuesday, the 23rd day of September, 2014 at 11:00 AM and at any adjournment thereof in respect of such resolutions as are indicated below:

Reso. No.	Description	For	Against
01	Adoption of the Financial Statements including Audited Balance Sheet, Statement of Profit and Loss account and Cash Flow Statement for the year ended March 31, 2014 along with the Reports of the Auditors and Directors thereon.		
02	To appoint a Director in the place of Mr. Chandrakant Gaikwad, who retires by rotation and being eligible, offer himself for re-appointment.		
03	Appointment of Auditors of the Company and fixing their remuneration.		
04	Appointment of Mrs. Ami Jigar Motta as an Independent Director of the Company.		
05	Appointment of Mr. Nilesh Shivram Mistry as an Independent Director of the Company.		
06	Appointment of Mr. Ketan Babubhai Patel as an Independent Director of the Company.		

Signed this onday of20.....