

securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates changes in the Government regulations, tax laws, and other statutes and other incidental factors.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

The Company pursuant to Clause 49 of the listing agreement with the Stock Exchanges furnishes its report on the code on Corporate Governance.

1. Company's Philosophy on Code of Governance:

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavors to review strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors presents the Corporate Governance Report for the year 2014- 15 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March, 2015.

2. Mechanism for evaluating Board Members

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and remuneration committee to lay down evaluation criteria for the performance of executive/non-executive/independent directors through a peer revaluation excluding the director being evaluated through a Board effectiveness survey. The questionnaire of the survey is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths of improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationship, information flow, decision making of the directors, relationship with stakeholders, company strategy, its performance and the effectiveness of the whole Board and its committees on a scale of ten.

3. Board of Directors:

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields and comprises a majority of Non-Executive Directors. The Board is properly constituted as per Clause 49 of the Listing Agreement.

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 is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2015 have been made by the Directors.

During the financial year ended 31st March, 2015, 7 Meetings of the Board of Directors were held as on 30/05/2014, 14/08/2014, 14/11/2014, 05/01/2015, 15/01/2015, 14/02/2015 and 31/03/2015.

Sr. No	Name of Directors	Category of Directors	No. of Board Meetings attended	Whether attended last AGM	Number of other Directorship	No of membership of Committees in other Public Ltd Companies
1	Mr. Dinesh Agrawal	Executive Director	7	Yes	2	6
2	Mr. Harish Agrawal	Executive Director	7	Yes	2	6
3	Mr. Radheshyam Agrawal	Non-Executive Director	7	Yes	1	3
# 4	Mrs. Anita Agrawal	Non-Executive	1	No	Nil	Nil

#Appointed as Director on 30.03.2015

Notes:

1. Excludes alternate directorships and directorships in foreign companies and private companies.
2. Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than public limited companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

4. Particulars of appointed & re-appointed Directors:

In accordance with the requirements of the Companies Act, 2013 and Article of Association of the Company Mr. Dinesh Agrawal retires by rotation and being eligible has offered him for re-appointment. The Board of Directors recommends his re-appointment.

Smt. Anita Harish Agrawal has been appointed as an Additional director of the Company. She has been regularized in the ensuing AGM.

4. Audit Committee:

i. Brief Description of Terms of Reference

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013.

The terms of reference, Role and powers of the Audit Committee are as mentioned in Clause 49 II (A) to (E) of the Listing Agreement entered into with the Stock Exchanges and read with Section 177 of the Companies Act, 1956 and to review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and

removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

ii. Composition

The Audit Committee comprised of Mr. Krishan Agrawal, Mr. Harish Agrawal and Mr. Dinesh Agrawal as Members. The composition of the Board of Directors is in accordance with Clause 49 of the Listing Agreement.

All the Members of the Audit Committee are financially literate and possess sound knowledge of accounts, audit, finance etc. Mr. Dinesh Agrawal is the Chairman of the Audit Committee.

iii. Meetings and Attendance during the Year:

During the 2014-15 under review 4 meetings of the Audit Committee were held on, 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015. The attendance of members is as follows:

Name	Category	Meeting during the Year 2014-2015	
		Held	Attended
Mr. Krishan Agrawal	Chairman-Independent Director	4	4
Mr. Harish Agrawal	Member Executive Director	4	4
Mr. Dinesh Agrawal	Member Executive Director	4	4

5. Stakeholder's Relationship Committee (Shareholders' / Investors' Grievance Committee):

(i) Composition

As on 29.08.2015 the composition of Stakeholder's Relationship Committee comprises of Mr. Krishan Agrawal- Chairman , Mr. Radheshyam Agrawal and Mr. Harish Agrawal as Members. The Committee met 4 times during the 2014-15 respectively on 30/05/2014, 14/08/2014, 14/11/2014 and 14/02/2015. The attendance of the members is as follows:

Name	Category	Meeting during the Year 2014-2015	
		Held	Attended
Mr. Krishankumar Agrawal	Chairman-Independent Director	4	4
Mr. Radheshyam Agrawal	Member Non-Executive Director	4	4
*Mr. Harish Agrawal	Member Executive Director	4	4

The constitution and terms of reference of the Stakeholder's Relationship Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Board has designated Mr. Dinesh Agrawal, as the Compliance Officer.

The total number of complaints received and replied to the satisfaction of the shareholders during the year is as follows:-

· No. of shareholders' complaints received during the year	:	0
· No. of complaints not resolved to the satisfaction of shareholders	:	0
· No. of pending share transfers	:	0
· No. of Complaints Resolved	:	0

6. MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed section on Management Discussion and Analysis is attached above.

7. GENERAL BODY MEETINGS:

(i) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2013-2014	30/09/2014	02.00 p.m.	Old Motor Stand, Itwari, Nagpur-440008
2012-2013	30/09/2013	02.00 p.m.	Old Motor Stand, Itwari, Nagpur-440008
2011-2012	30/09/2012	02.00 p.m.	Old Motor Stand, Itwari, Nagpur-440008

(ii) Special Resolution passed in previous three Annual General Meetings: NIL

(iv) Special Resolution proposed to be conducted through Postal Ballot: Nil

8. OTHER DISCLOSURES:

(a) Related Party Transactions

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large:

None of the transactions with any of the related parties were in conflict with the interest of the Company at large.

(b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(c) Disclosures on Risk Management

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. The

Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

(d) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: *Company is currently suspended from trading on BSE Limited, due to non-Compliance with Listing Agreement. However, Company is making all the efforts to revoke the suspension at earliest.*

(e) It is confirmed that no personnel has been denied access to the Audit Committee.

9. REMUNERATION OF DIRECTORS:

Details of remuneration paid to Directors

None of Directors have been paid remuneration during the year.

10. MEANS OF COMMUNICATION:

I. Quarterly Results:

The quarterly, half-yearly and yearly financial results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.

II. Website:

Name of the Company's Website where the results are displayed is www.prabhusteel.in

III. Official News Releases:

The Company displays official news releases as and when the situation arises.

IV. Presentations:

The Company makes presentation to institutional investors or the analysts when found appropriate.

11. GENERAL SHAREHOLDER INFORMATION:

(a) AGM DATE, TIME AND VENUE:

Annual General Meeting will be held on, **Monday 28th September, 2015 at 02.00 P.M.** at the registered office of the Company at - **Old Motor Stand, Itwari, Nagpur - 440008.**

(b) FINANCIAL YEAR:

The Financial Year is from 1st April 2015 to 31st March 2016.

Tentative Schedule

Unaudited Results for quarter ending June 30, 2015	: End of July 2015
Unaudited Results for quarter ending September 30, 2015	: End of October 2015
Unaudited Results for quarter ending December 31, 2015	: End of January 2015
Audited Results for year ending March 31, 2016	: End of July 2016
AGM for year ending March 31, 2016	: End of September 2016.

- (c) **BOOK CLOSURE PERIOD:** Wednesday, the 22nd September, 2015 to Monday, the 28th September, 2015 (both days are inclusive)
- (d) **DIVIDEND PAYMENT:** The Company has not declared any dividend.
- (e) **STOCK EXCHANGES WHERE SECURITIES ARE LISTED:**

Name of the Stock Exchange (Equity Shares)	Stock Code
BSE Limited	506042
CSE Limited	26117

- (f) **STOCK MARKET DATA:**

Since the shares of the Company have been suspended from trading, there has not been any trade in the shares of the Company during the year ended 31st March, 2015. However the Board of Directors is making efforts for revocation of suspension of trading in equity shares of the company.

- (g) **REGISTRAR AND TRANSFER AGENT:** Purva Sharegistry (India) Pvt. Ltd.
Unit no. 9, Shiv Shakti Ind. Estt.
J .R. Boricha marg, Opp. Kasturba Hospital Lane
Lower Parel (E), Mumbai 400 011

- (h) **SHARE TRANSFER SYSTEM WITH NUMBER OF SHARES TRANSFERRED:**

Physical shares sent for transfers or dematerialization are generally registered and returned within a period of 15 days from the date of receipt of completed and validly executed documents.

- (i) **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

ISIN: INE821R01015

- (j) **OUTSTANDING GDRS/ WARRANTS, CONVERTIBLE BONDS, CONVERSION DATE AND ITS IMPACT ON EQUITY:** Nil

- (k) **DISTRIBUTION OF SHAREHOLDING AND SHAREHOLDING PATTERN AS ON 31ST MARCH, 2015:**

- (i) **Distribution of Shareholding as on 31st March, 2015:**

Share holding	No. of Shareholders	%	No of Shares	% of Shareholding
001 - 500	558	88.57	19300	2.69
501 - 1000	5	0.79	5000	0.697
1001 - 2000	5	0.79	9000	1.255
2001 - 5000	6	0.95	17150	2.392
5001 - 10000	45	7.14	316750	44.177
Above 10001	11	1.75	349800	48.787
Total	630	100	71700	100

(ii) **Shareholding pattern as at 31st March, 2015:**

Category	No. of Shares held	% to Total Shares
Promoter Group	307850	42.94
Mutual Funds and UTI	00	0.00
Banks & Financial institutions & Insurance Companies etc.	00	0.00
Corporate Bodies		
General Public	409150	57.06
NRIs/ OCBs		
TOTAL	717000	100.00

(I) **ADDRESS FOR CORRESPONDENCE:**

The Company's Registered Office is situated at:

Regd off: Old Motor Stand, Itwari, Nagpur-440008

Website: www.prabhusteel.in

Email: prabhu.steel@yahoo.com

12. CODE OF CONDUCT:

The Board has laid down a Code of Conduct for all Board Members and Senior Management of the Company which is posted on the website of the Company. All Board Members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Chairman forms part of this Report.

NON-MANDATORY REQUIREMENTS:

The Company is not yet implementing the non-mandatory requirements under Clause 49 of the Listing Agreement. However, adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

Place: Nagpur
Date: 29.08.2015

By Order of the Board
for PRABHU STEEL INDUSTRIES LIMITED

MR. DINESH AGRAWAL
(DIRECTOR)
DIN: 00291086

MR. HARISH AGRAWAL
(DIRECTOR)
DIN: 00291083