

# **RAKAN STEELS LIMITED**

**(CIN : L27320UP1985PLC007582)**

**25<sup>TH</sup> ANNUAL REPORT 2011-2012**

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## **CHAIRMAN'S MESSAGE**

Dear Shareholders,

It is my pleasure to share with you the performance of your Company for the financial year 2011-12. Your Company has made profits of Rs. 0.29 lacs. Financial Year 2011-12 has been a challenging year with subdued economic growth, as a result of higher inflation, higher interest rates, lower industrial growth and lower investments in the country, along with the poor condition of the global economy. However, the Indian economy is expected to perform comparatively well in the coming years. The government focus on infrastructure development, more foreign direct investment inflow and more transparency in governance is likely to significantly increase the business confidence in the country.

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

With warm wishes,

-Sd-  
(Bindu Agarwal)  
Director

## **BOARD OF DIRECTORS**

Mrs. BINDU AGARWAL  
Mr. MAHENDRA BAHADUR SINGH  
Mr. RAMJI LAL SHARMA  
Mr. RAJVARDHAN AGARWAL

Executive Director/Promoter Group  
Non Executive /Independent director  
Non Executive /Independent director  
Executive Director/Promoter Group

## **AUDITOR**

VISHAL MAHESHWARI & COMPANY,  
205-A, ANAND TOWER,  
117/K/13, SARVODAYA NAGAR,  
KANPUR-208025

## **BANKER**

STATE BANK OF INDIA

## **REGISTERED OFFICE**

77/39, COOLIE BAZAR  
KANPUR-208001

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

Web.: [www.rakansteels.co.in](http://www.rakansteels.co.in)  
Contact No. : 9598668666

# MANAGEMENT DISCUSSION & ANALYSIS

## ECONOMIC CONDITION

The Indian economy grew at a rate lower than the trend average of the last 10 years due to overhang of lower capital expenditure and investments, tight monetary policy and sluggish demand conditions in critical sectors such as automotive, infrastructure and construction. There are significant expectations of the new Government to pursue further economic reforms, investments in infrastructure and an inclusive growth agenda to revive the economy.

## BUSINESS OVERVIEW

The Company is of opinion that there is ample opportunity to work for the objective of the Company. It has prepared itself to meet all the future challenges and be focused on its vision.

## PERFORMANCE

The performance of Company for the financial year 2011-12 has been satisfactory. The Company has endured to make mild profits of Rs. 0.29 lacs even under adverse market conditions.

## OUTLOOK

The company has strategically re-aligned itself towards the steel and iron business. The Company is of opinion that there is huge potential in this field. Company, with its experience and expertise can create a niche and excel.

## RISK AND CONCERNS

The company is fully aware of the risk factors which have serious impact on its operations and profitability. It assesses internal as well as external environment and implements adequate risk management measures. The company takes special care of inflation risk, NPA and competition.

## INTERNAL CONTROL SYSTEM

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

## HUMAN RESOURCE CAPITAL

The company employs best talents, nurtures them and recognizes their effort in the success of company.

## DISCLAIMER

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

## **REPORT ON CORPORATE GOVERNANCE**

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

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

### **1. BOARD OF DIRECTORS**

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

<b>SL NO.</b>	<b>NAME</b>	<b>DESIGNATION</b>
1	Mrs. BINDU AGARWAL	Executive/Promoter Director
2	Mr. RAMJI LAL SHARMA	Non-Executive/Independent Director
3	Mr. MAHENDRA BAHADUR SINGH	Non-Executive/Independent Director

### **DIRECTORSHIPS**

<b>NAME OF DIRECTOR</b>	<b>CATEGORY OF DIRECTORSHIP</b>	<b>DATE OF APPOINTMENT</b>	<b>NO. OF DIRECTORSHIPS HELD IN OTHER COMPANIES</b>
Mrs. BINDU AGARWAL	Executive Director/Promoter	25/09/2010	0
Mr. RAJWARDHAN AGARWAL	Executive Director/Promoter	13/03/2012	0
Mr. RAMJI LAL SHARMA	Non Executive Independent Director	20/08/2009	0
Mr. MAHENDRA BAHADUR SINGH	Non Executive Independent Director	11/06/2011	0

### **NUMBER OF BOARD MEETINGS**

During the year the Board met 6 times on 11.06.2011, 14.08.2011, 04.09.2011, 24.10.2011, 13.02.2012 and 13.03.2012. The maximum gap between two successive board meetings did not exceed 4 months.

## DIRECTORS ATTENDANCE RECORD

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

Name of Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Committees
Mr. Ramji Lal Sharma	Independent Director	6	6	Yes	<ul style="list-style-type: none"><li>• Audit Committee – Chairman</li><li>• Nomination And Remuneration Committee – Chairman</li><li>• Stakeholder’s Relationship Committee - Member</li></ul>
Mr. Mahendra Bahadur Singh	Independent Director	5	5	No	<ul style="list-style-type: none"><li>• Stakeholder’s Relationship Committee - Chairman</li><li>• Audit Committee – Member</li><li>• Nomination And Remuneration Committee – Member</li></ul>
Mrs. Bindu Agarwal	Executive Director/Promoter	6	6	Yes	<ul style="list-style-type: none"><li>• Audit Committee – Member</li><li>• Stakeholder’s Relationship Committee - Member</li></ul>

## DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT

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

## **2. COMMITTEES OF THE BOARD**

### **• AUDIT COMMITTEE**

The Constitution and terms of reference of Audit Committee meet the requirement of Clause 49 of the Listing Agreement read with the provisions of Section 292A of the Companies Act, 1956.

The Composition of Audit Committee is as mentioned herein below:

<b>SL NO.</b>	<b>NAME OF DIRECTOR</b>	<b>DESIGNATED POSITION IN THE COMMITTEE</b>
1.	Mr. Ram ji Lal Sharma	Chairman
2.	Mr Mahendra Bahadur Singh	Member
3.	Mrs. Bindu Agarwal	Member

- **NOMINATION AND REMUNARATION COMMITTEE**

The composition of remuneration committee is as follows:

<b>SL NO.</b>	<b>NAME OF DIRECTOR</b>	<b>DESIGNATED POSITION IN THE COMMITTEE</b>
1.	Mr. Ram ji Lal Sharma	Chairman
2.	Mr Mahendra Bahadur Singh	Member
3.	Mrs. Bindu Agarwal	Member

**DETAILS OF REMUNARATION TO THE DIRECTORS**

<b>SL NO</b>	<b>Name and designation</b>	<b>Salary (p.a.)</b>	<b>Other Benefits</b>	<b>Total</b>
1.	Mrs. Bindu Agarwal Director	NIL	NIL	NIL
2.	Mr. Ram ji Lal Sharma Independent Director	NIL	NIL	NIL
3.	Mr. Mahendra Bahadur Singh Independent Director	NIL	NIL	NIL
4.	Mr. Rajvardhan Agarwal			

- **INVESTOR GRIEVANCE COMMITTEE**

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

<b>SL NO.</b>	<b>NAME OF DIRECTOR</b>	<b>DESIGNATED POSITION IN THE COMMITTEE</b>
1.	Mr. Ram ji Lal Sharma	Chairman
2.	Mr Mahendra Bahadur Singh	Member
3.	Mr. Bindu Agarwal	Member

**Complaints Received/ Resolved:**

During the period under review, one complaint was received by the Company which is pending and will be resolved at the earliest.



### **3. GENERAL BODY MEETINGS**

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

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2010-11	30.09.2011	77/39, Coolie, Bazar, Kanpur	11:00 A.M.
2009-10	30.09.2010	77/39, Coolie, Bazar, Kanpur	11.00 A.M.
2008-09	30.09.2009	77/39, Coolie, Bazar, Kanpur	11.00 A.M.

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

#### **DETAILS OF SPECIAL RESOLUTION IN THE LAST THREE AGM**

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

#### **DETAILS OF SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT PROCESS**

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

### **4. DISCLOSURES**

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

### **5. MEANS OF COMMUNICATION**

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

### **6. GENERAL SHARE HOLDER INFORMATION**

- I. **Annual General Meeting** : Date - September 29<sup>th</sup>, 2012.  
Day - Saturday  
Time - 11:00 A.M.  
Venue - 77/39, COOLIE BAZAR,  
KANPUR
- II. **Financial Year** : 1<sup>st</sup> April 2011- 31<sup>st</sup> March 2012
- III. **Date of book closure** : 23.09.2012 to 29.09.2012
- IV. **Dividend payment date** : N/A

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

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

IX. **Distribution of shareholding:**

Shareholding pattern of the Company as on 31<sup>st</sup> March, 2012.

Category	No. of Shares	Percentage of Holding
Govt(Central & States)	0	0
Govt Companies	0	0
Public financial institution	0	0
Nationalized/Other Institutions/Bank	905429	27.95
Mutual Funds	0	0
Venture Capital	0	0
Foreign Holding	0	0
Bodies Corporate	978041	30.19
Directors/Relative	707415	21.83
Others	649115	20.03
<b>TOTAL</b>	<b>32,40,000</b>	<b>100</b>

- X. **Dematerialization of Shares and Liquidity:**  
100% of the shares of Company are in physical form.
- XI. **Address for correspondence:**  
77/39, COOLIE BAZAAR, KANPUR
- XII. **CEO/CFO Certification:**  
In terms of the requirements of Clause 49(V) of the Listing Agreement, the CEO of the Company have submitted necessary certificate to the Board at its meeting held on 30.05.2012 stating the particulars specified under the said clause.

## **7. CORPORATE SOCIAL RESPONSIBILITY**

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

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

By the Order and on behalf of the Board of Directors

PLACE: KANPUR  
DATE : 30.05.2012

Sd/-  
**(Bindu Agarwal)**  
Director

Sd/-  
**(Ramji Lal Sharma)**  
Director

## NOTICE

*Notice is hereby given that the Annual General Meeting of M/s Rakan Steels Limited will be held on 29<sup>th</sup> September, 2012 at 11:00 A.M. at the Registered Office of the Company to transact the following business:-*

### **ORDINARY BUSINESS**

- i) To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
- ii) To re-appoint the Auditor M/s Vishal Maheshwari & Company, Chartered Accountants, retiring auditor of the Company, as the auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company.
- iii) To appoint Director in place of Mr. Ramji Lal Sharma, Director who retire by rotation and being eligible offer himself for re-appointment.

### **SPECIAL BUSINESS**

- iv) To consider and if thought fit pass the following resolution with or without modification as an ordinary resolution:

**“RESOLVED THAT** in accordance with the provision of section 257 and all other applicable provisions, if any, of the Companies Act 1956 or reenactments thereof, Mr. Raj Vardhan Agarwal who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 be and is hereby appointed as Director of the Company liable to be retire by rotation

By the Order and on behalf of the Board of Directors

PLACE: KANPUR  
DATE : 30.05.2012

Sd/-  
(Bindu Agarwal)  
Director

**NOTES:**

1. Members are entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company under the Companies Act 1956.
2. The instrument appointing the proxy should be deposited at the Registered Office of Company before 48 hours of the commencement of the meeting.
3. Shareholders seeking any further information on the accounts and operations of the Company at the Annual General Meeting are requested to send their queries to the Company at the Registered Office at least seven days before the date of the meeting.
4. The Company will close its registers from 23.09.2012 to 29.09.2012

**ANNEXURE TO NOTICE:**

**EXPLANATORY STATEMENT** pursuant to Section 173(2) of the Companies Act, 1956.

**Item No. iv:**

Mr. . Raj Vardhan Agarwal was appointed as an Additional Director of the Company by the Board of Directors with effect from 13.03.2012, pursuant to Section 260 of the Companies Act, 1956 and holds office only upto the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice in writing from a member, proposing his candidature for the office of Director under the provisions of Section 257 of the Act.

Taking into the consideration his qualification and experience, the Board of Directors is of the opinion that Mr. . Raj Vardhan Agarwal as a Director will be of advantage to the Company and accordingly, the Board commends his appointment for acceptance by the members.

None of the Directors of the Company except Mr. Raj Vardhan Agarwal, is concerned in the proposed resolution.

By the Order and on behalf of the Board of Directors

PLACE: KANPUR  
DATE : 30.05.2012

Sd/-  
(Bindu Agarwal)  
Director

## DIRECTORS REPORT

Dear Shareholders,

Your Directors are pleased to present the Annual Report together with Audited Accounts of the Company for the year ended on 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS:

	<u>2010-2011</u> (Rs. in lacs)	<u>2011-2012</u> (Rs. in lacs)
Sales & Other Income	2.37	6.19
Profit/(Loss) before interest & depreciation	0.10	1.30
Interest	0.00	0.00
Depreciation	0.00	0.82
Profit/(Loss) before tax	0.10	0.48
Less:		
Provision for taxation (MAT)		
Current Tax	0.03	0.09
Deferred tax	0.00	0.11
<b>Profit/(Loss) after tax</b>	<b>0.07</b>	<b>0.28</b>

### OPERATIONAL RESULTS

During the Financial year, the Company has generated an income of Rs. 6.19 Lacs as compared to the previous year income of Rs. 2.37 Lacs and earned a profit after tax of Rs. 0.28 Lacs as compared to the previous year profit of Rs. 0.07 Lacs. Your directors are trying to improve the performance of the company and hope for better results in the next financial year.

### DIVIDEND

In view to conserve the financial resources of the Company for meeting financial requirements for future business projects it was decided by your director not to declare any dividend.

### FIXED DEPOSIT

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

### AUDITORS

M/s Vishal Maheshwari & Company, Chartered Accountants, from whom the Company has received a Certificate, if their appointment is made shall be with in limit as laid down 224(1B) of the Companies Act, 1956 and M/s Vishal Maheshwari & Company, Chartered Accountants, is eligible offer them for re-appointment.

Cont..2....

## **RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS**

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

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

## **INDUSTRIAL RELATIONS:**

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

## **DIRECTOR**

The Board was duly constituted; there was a change in the composition of the Board. Mr. Ramji Lal Sharma, Director of the Company is liable to be retire by rotation at the ensuing AGM and he offers himself eligible for re-appointment. None of the Director of the Company is disqualified u/s 274(1)(g) of the Companies Act, 1956.

## **AUDITORS REPORT**

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

## **RISK AND INTERNAL ADEQUACY:**

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

Cont..3....

**LISTING OF SHARES:**

The Company's shares are listed with the Uttar Pradesh Stock Exchange Association Limited, Padam Tower, 14/113, Civil Lines, Kanpur and other regional stock exchanges although trading of shares of the Company is suspended in the exchanges.

**COMPLIANCE CERTIFICATE:**

The Compliance Certificate obtained from Practicing Company Secretary under the provision of section 383A of the act is being annexed along with the report.

**EMPLOYEES:**

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

**ACKNOWLEDGEMENTS:**

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

By the Order and on Behalf of the Board of Directors

**RAKAN STEELS LIMITED**

SD/-

SD/-

Bindu Agarwal

Ramji Lal Sharma

Director

Director

PLACE: Kanpur

DATE: 30.05.2012



**DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT**

As provide under Clause 49 of the Listing Agreement with the Stock Exchanges, all the Board Members and Senior Management Personnel have confirmed compliance with the code of conduct for the year ended March 31, 2012.

By the Order and on behalf of the Board of Directors

PLACE: KANPUR  
DATE : 30.05.2012

Sd/-  
**(Bindu Agarwal)**  
Director

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

### **Rakan Steels Limited**

We have examined the companies of conditions of Corporate Government by Rakan Steels Limited for the year ended on 31<sup>st</sup> March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For VISHAL MAHESHWARI & CO.  
Chartered Accountants  
SD/-  
(CAVISHAL MAHESHWARI)  
Proprietor  
M.No.-076685  
FRN-007952C

Place: Kanpur  
Date: 30.05.2012

# **RAKAN STEELS LIMITED**

REGD. OFF: 77/39, COOLIE BAZAR, KANPUR  
CIN: L27320UP1985PLC007582

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## **ATTENDANCE SLIP**

(To be presented at the entrance)

Reg. Folio No.:

No. of Shares held :

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

I hereby record my presence at the 25<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at 77/39, Coolie Bazar, Kanpur on Monday, the 29<sup>th</sup> Day of September, 2012 at 11.00 a.m.

Member's/Proxy's name in BLOCK letters

Signature of Member/Proxy

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

# RAKAN STEELS LIMITED

REGD. OFF: 77/39, COOLIE BAZAR, KANPUR  
CIN: L27320UP1985PLC007582

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## PROXY FORM

Reg. Folio No.:

I/We ..... of ..... in the district of ..... being a member/members of the above named company, hereby appoint ..... of ..... in the district of ..... or falling him..... of ..... in the district of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the 25<sup>TH</sup> ANNUAL GENERAL MEETING of the Company to be held at 77/39, Coolie Bazar, Kanpur on Monday, the 29<sup>th</sup> Day of September, 2012.and at any adjournment(s) thereof.

Signed this ..... day of ....., 2012.

Affix  
Revenue  
Stamp

Signature.....

Note: This Proxy form, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



**TO THE MEMBERS OF RAKAN STEELS LIMITED**

I have audited the attached Balance Sheet of RAKAN STEELS LIMITED as at 31<sup>st</sup> March 2012, and the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

- 1) As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies act, 1956, I enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
- 2) Further to my comments in the Annexure referred to above, I report that:
  - a) I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of the audit.
  - b) In my opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from my examination of those books.
  - c) The Balance Sheet, Profit and Loss account dealt with by this report are in agreement with the books of account.
  - d) In my opinion, the balance sheet, Profit and Loss account dealt with by this report are in compliance with the accounting standards referred to in section 211(3C) of the Companies Act, 1956, except for those mentioned in Notes on Account.
  - e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March 2012 and taken on records by the Board of Directors, I report that none of the Directors is disqualified as on 31<sup>st</sup> March 2012 from being appointed as a director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
  - f) In my opinion and to the best of our information and according to the explanations given to me, the said accounts read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, 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 Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2012;
    - b) In the case of the Profit & Loss Account of the profit for the year ended on that date.
    - c) In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For VISHAL MAHESHWARI & COMPANY  
CHARTERED ACCOUNTANTS

*V. Maheshwari*  
( VISHAL MAHESHWARI )  
Proprietor

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

1. In respect of its fixed assets :
  - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to me, all the fixed assets have been physically verified by the management in a phased periodical manner, which in my opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) In my opinion, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In my opinion frequency of verification is reasonable.
  - b) In my opinion and according to the information and explanations given to me, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to me, there were no material discrepancies noticed on physical verification as compared to the book records.
3. In my opinion and according to the information and explanations given to me, there are no loans secured or unsecured, granted or taken by the company to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we had not observed any continuing failure to correct a major weakness in internal controls.
5. In my opinion and according to the information and explanations given to me, there are no contracts or arrangements, particulars of which need to be entered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, the requirement of clause (v)(b) paragraph 4 of the order is not applicable.
6. According to the information and explanations given to me, the company has not accepted deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the order are not applicable to the company.
7. In my opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1) of the Companies Act, 1956 in respect of manufacturing activities of the Company.
9. According to the information and explanations given to us and the records of the company examined by us, in our opinion no undisputed amounts payable in respect of Provident Fund, Investor Education Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31<sup>st</sup> March, 2012 for a period of more than six months from the date they become payable.
10. The company have accumulated losses not exceeding fifty percent of its Net worth at the end of the financial year. The company has not incurred cash losses during the financial year covered by this report. There was no cash loss.

11. Based on our audit procedures and according to the information and explanations given to me, I am of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks.
12. In my opinion and according to the information and explanations given to me and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In my opinion, the company is not a chit fund / nidhi / mutual benefit fund / society. Therefore the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the Company.
14. The Company has not entered into transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments. Further, section 49 of The Companies Act, 1956 is not applicable.
15. According to the information and explanations given to me, the Company has not given guarantees for loans taken by others from banks and financial institutions.
16. According to the information and explanations given to me, the Company has not availed any term loans during the year.
17. According to the information and explanations given to me on an overall examination of the Balance Sheet of the Company, I am of the opinion that there are no funds raised on short –term basis that have been used for long term investment and vice versa.
18. According to the information and explanations given to me, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. The Company has not raised any monies by way of public issues during the year.
21. In my opinion and according to the information and explanations given to me, no material fraud on or by the Company has been noticed or reported during the year.

For VISHAL MAHESHWARI & COMPANY  
CHARTERED ACCOUNTANTS

  
( VISHAL MAHESHWARI )

Proprietor

M.No. : 076685

FR No.:007952C

Place : Kanpur.

Date : 30.05.2012

**RAKAN STEELS LIMITED**  
**BALANCE SHEET AS ON 31.03.2012**

Particulars	Note No	2011-12	2010-11
<b>EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	32400000	32400000
(b) Reserve & Surplus	3	9483778	9454953
(c) Money Received against share warrants		0	0
(d) Minority Interest		0	0
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non- Current Liabilities</b>			
(a) long Term borrowings	4	11980263	11980263
(b) Deferred tax liabilities(net)	4	10601	0
(c) Other long term liabilities	4	7028937	0
(d) Long term provisions	5	0	35000
<b>(4) Current liabilities</b>			
(a) Short term borrowings	4	0	0
(b) Trade payable	4	1954522	6947437
(c) Other current Liabilities	4	65505	66500
(d) Short Term provisions	5	9280	3005
<b>TOTAL</b>		<b>62932886</b>	<b>60887158</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	6	1465513	0
(ii) Intangible assets	6	0	0
(iii) Capital work in progress		0	0
(iv) Intangible assets under development		0	0
(b) Non- current investments	7	0	0
(c) Deferred tax assets (net)		0	0
(d) Long term loans & advances	12	759455	463784
(e) Other non-current assets	12	0	0
<b>(2). Current assets</b>			
(a) Current investments	8	0	0
(b) Inventories	9	60399247	60000000
(c) Trade Receivables	11	0	0
(d) Cash & cash equivalents	10	288121	127703
(e) Short term loans and advances	12	20550	295671
(f) Other current assets	12	0	0
<b>TOTAL</b>		<b>62932886</b>	<b>60887158</b>

**Notes to Accounts**

- Figures have been rounded of to the nearest rupee  
"As per our report of even date

For VISHAL MAHESHWARI & Company  
Chartered Accountants

*V. Maheshwari*  
KANPUR

(Vishal Maheshwari)

Proprietor  
M.N.- 076685  
FRN:007952C

For and on behalf of the Board

For RAKAN STEELS LTD. For RAKAN STEELS LTD.

*Director*  
DIRECTOR

*Director*  
DIRECTOR

Director



**RAKAN STEELS LIMITED**  
**Profit and Loss statement for the year ended 31st March 2012**

Particulars	Note No.	2011-12	2010-11
I. Revenue from operations	13	237762	156000
II. Other Income	14	382151	81354
<b>III.Total Revenue(I+II)</b>		<b>619913</b>	<b>237354</b>
<b>IV. EXPENSES:</b>			
Cost of material consumed	15	0	0
Purchase of Stock- in-Trade	15	637039	0
Changes in inventories of finished goods, work in progress and stock-in- Trade	15	-399247	0
Employee benefit expense	16	96000	60000
Financial Cost	17	2643	150
Depreciation and amortization expense	6	81738	0
Other Expenses	18	153034	167188
<b>IV.Total Expenses</b>		<b>571207</b>	<b>227338</b>
V. Profit before exceptional and extraordinary items and tax	(III-IV)	48706	10016
VI.Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	48706	10016
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	<b>48706</b>	<b>10016</b>
X. Tax Expense:			
(1) Current Tax		9280	3005
(2) Deferred Tax		10601	0
XI. Profit(Loss) from the period continuing operations	(IX-X)	28825	7011
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit/(Loss) from discontinuing operations	(XII-XIII)	0	0
XV. Profit/(loss) for the period	(XI+ XIV)	28825	7011
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period (XV+XVI+XVII)		<b>28825</b>	<b>7011</b>
XIX. Earning per equity share:			
(1) Basic		0.01	0.00
(2) Diluted		0.01	0.00

**Notes to Accounts**

1. Figures have been rounded of to the nearest rupee

For VISHAL MAHESHWARI & Company  
Chartered Accountants

*V. Maheshwari*  
  
(Vishal Maheshwari)  
Proprietor

M.N.- 076685  
FRN:007952C

For and on behalf of the Board

For RAKAN STEELS LTD.

*Aravind*  
DIRECTOR  
Director

For RAKAN STEELS LTD.

*Bindu Agarwal*  
DIRECTOR  
Director

Director

Note – 1

Significant Accounting Policies:

- A) GENERAL  
The Accounts of the Company are prepared on an accrual basis, under the historical cost convention and in accordance with applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The Accounts have been prepared on the concept of going concern.
- B) FIXED ASSET/ INTANGIBLE ASSETS  
Fixed Assets : The fixed assets have been valued at historical cost Less depreciation provided on written down value method at rates prescribed in Schedule XIV of the Companies Act, 1956.
- C) DEPRECIATION / AMORTISATION  
Depreciation on Fixed Assets has been provided on written down value method as per the rates prescribed in Companies Act, 1956.
- D) INVENTORIES  
Raw Material at Cost on FIFO Method.  
WIP and Finished Goods at Cost or Market Value whichever is less.
- E) REVENUE RECOGNITION  
Other income , Interest and other expenses are recognized on accrual basis.
- F) RETIREMENT BENEFITS  
The firm has not provided for any retirement benefits including gratuity.
- G) EARNING PER SHARE  
Earning per share is calculated in accordance with AS-20 issued by the Institute of Chartered Accountants of India.
- H) TAXATION
- (i) INCOME TAX  
Provision of income tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961 and considering any pending litigations & orders in company's case.
  - (ii) DEFERRED TAX  
Deferred Tax assets and Liabilities are recognized in accordance with AS-22 "Accounting for Taxes on Income" on the basis of reasonable / virtual certainty that sufficient future taxable income will be available against which the same can be realized.
  - (iii) Fixed assets had been converted into in trade. Therefore, the tax on the stock will be computed as per Section 45(2) of Income tax Act, 1961.
- I) IMPAIRMENT OF ASSETS  
An assets is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of the recoverable amount.
- J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS  
Provision in respect of present obligation arising out of past events are made in accounts when reliable estimates can be made of the amount of the obligation. Contingent liabilities (if material) are disclosed by way of Notes on Accounts. Contingent assets are not recognized or disclosed in financial statements.

## NOTES OF ACCOUNTS

- 1) Contingent Liabilities: There are no Contingent Liabilities.
- 2) Disputed Statutory Liabilities: There are no Disputed Statutory Liabilities.
- 3) Directors remuneration :

<u>2011-2012</u>	<u>2010-2011</u>
0.00	0.00

As no commission is payable to the Directors of the company computation of net profit u/s 349 of The Companies Act, 1956 has not been given.

- 4) Deferred Tax : Provision for deferred tax assets / liabilities is in accordance with applicable accounting standards. ✓
- 5) There are no defaults in the nature of delays in repayment of dues to financial institutions and Banks.
- 6) Sundry Debtors & Creditors, Loans & advances are subject to reconciliation and Confirmation, if any.
- 7) Earning per share :

	<u>2011-2012</u>	<u>2010-2011</u>
	Amount (Rs.)	Amount (Rs.)
i) Net profit/(Loss) after tax available for equity share holders (Rs.)	28825	7011
ii) Average number of equity share of Rs. 100/- each used as denominator for calculating EPS	3240000	3240000
iii) Basic/ Diluted Earning per share of face value of Rs. 100 each (Rs.)	0.01	0.00
8) As informed to me, there are related party transactions.		

S.No.	Particulars	Nature of Transaction	Transaction Value(Rs.)	Outstanding Amount Carried in Balance Sheets
1.	Shree Barsana Wires (Unit of Rajvardhan Agencies Pvt. Ltd.)	Loan taken from party Purchases	60000(Cr) 232292(Cr)	292292(Cr)
2.	Shree Radha Industries	Received rent	382150(Cr)	382150(Cr)




9) Payment to Auditor	<u>2011-2012</u>	<u>2010-2011</u>
Audit Fees	25000.00	20000.00
Taxation Matters	-	-

10) Previous year figures have been regrouped and rearranged wherever necessary, so as to correspond to that of the current year.

FOR VISHAL MAHESHWARI & COMPANY  
CHARTERED ACCOUNTANTS

*V. Maheshwari*  
(VISHAL MAHESHWARI)  
Proprietor



Place : KANPUR.  
Dated : 30.05.2012

For RAKAN STEELS. LTD.

For RAKAN STEELS LTD. For RAKAN STEELS LTD.  
*Agarwal* *Baidya Agarwal*  
(Director) (Director) Direc

<b>Note 2 :- Share Capital</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Authorised Shares</b> 5500000 Nos. Equity Shares of Rs.10/- each (Previous year 5500000 Equity shares of Rs.10/-each)	55000000	55000000
	55000000	55000000
<b>Issued ,Subscribed &amp; Fully Paid</b> (3240000 Equity Shares of Rs. 10/- each)	32400000	32400000
<b>Total Issued ,Subscribed &amp; Fully Paid</b>	32400000	32400000

<b>Share Capital Schedule (No. of shares Outstanding)</b>	<b>31-Mar-12</b>		<b>31-Mar-11</b>	
<b>Particulars</b>	<b>Nos</b>	<b>Amount</b>	<b>Nos</b>	<b>Amount</b>
Opening number of Shares Outstanding	3240000	32400000	3240000	32400000
Add: Preferential Shares	0	0	0	0
Less:	0	0	0	0
Closing number of outstanding shares at the end of the period	3240000	32400000	3240000	32400000

During the year ended 31 March 2012, the amount of per share recognised as distribution to equity shareholders was Rs. 0 ( 31 March 2011: Rs.0)

**Detail of Shareholders Holding more than 5 percent Shares**

<b>Name of the Shareholders</b>	<b>No.Of shares</b>	<b>% Shareholding</b>
Union Bank of India	211033	6.51%
Raj Vardhan Agencies Private Limited	268300	8.28%
Surendra Mohan Agarwal	243000	7.50%



<b>Note 3:- Reserve &amp; surplus</b>		<b>2011-12</b>	<b>2010-11</b>
<b>(a)</b>	<b>Capital &amp; Redemption Reserve</b>		
	Opening Balance	0	0
	Less: Trading to Share capital on issue of bonus shares	0	0
	Add/less: Any other adjustments	0	0
		<b>0</b>	<b>0</b>
<b>(b)</b>	<b>Bond Redemption Reserve</b>		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		<b>0</b>	<b>0</b>
<b>(c)</b>	<b>Debenture Redemption Reserve</b>		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		<b>0</b>	<b>0</b>
<b>(d)</b>	<b>Capital Reserve</b>		
	Opening Balance	1589220	1589220
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		<b>1589220</b>	<b>1589220</b>
<b>(e)</b>	<b>Securities Premium</b>		
	As per last Balance sheet	14000000	14000000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		<b>14000000</b>	<b>14000000</b>
<b>(f)</b>	<b>General Reserve</b>		
	As per last Balance Sheet	800000	800000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		<b>800000</b>	<b>800000</b>
<b>(g)</b>	<b>Foreign Currency Translation Reserve</b>	0	0
<b>(h)</b>	<b>Surplus in the statement of Profit &amp; Loss Account</b>		
	As per last Balance Sheet	-6934267	-6941278
	Add: Profit for the year	28825	7011
	Less: Appropriations	0	0
	Proposed Dividend	0	0
	Tax on dividend	0	0
	Transfer to general reserve	0	0
	<b>Net surplus in the statement of profit and loss account</b>	<b>-6905442</b>	<b>-6934267</b>
	<b>Total Reserve &amp; Surplus</b>	<b>9483778</b>	<b>9454953</b>

Note 4 Liabilities	Current		Non-Current	
	2011-12	2010-11	2011-12	2010-11
<b>a) Borrowings</b>				
<b>Secured</b>				
i. Loans repayable of demand				
-From banks;	0	0	0	0
-From other parties	0	0	0	0
<b>Unsecured</b>				
i. Loans and advances from related parties/shareholders and directors	0	0	11980263	11980263
ii. Deposits	0	0	0	0
iii. Other Loans and advances	0	0	0	0
	<b>0</b>	<b>0</b>	<b>11980263</b>	<b>11980263</b>
<b>b) Trade payables</b>	1954522	1350000	6947437	5597437
<b>c) Other Liabilities</b>				
Current maturities of Long-Term debt	0	0	0	0
Current maturities of finance lease obligations	0	0	0	0
Deferred tax liability	0	0	10601	0
Interest accrued but not due	0	0	0	0
Interest accrued and due	0	0	0	0
Income received in advance (Deferred and revenue)	0	0	0	0
Unpaid Dividends	0	0	0	0
Other Payables	65505	66500	81500	35000
	<b>65505</b>	<b>66500</b>	<b>92101</b>	<b>35000</b>
<b>Note 5</b>				
<b>Provisions</b>				
Provisions for employee benefit	0	0	0	0
Others				
- Proposed Dividends	0	0	0	0
- Provision for Taxation	9280	3005	0	0
	<b>9280</b>	<b>3005</b>	<b>0</b>	<b>0</b>



Note 6

**TANGIBLE AND INTANGIBLE ASSETS:**

Particulars	Rate	GROSS BLOCK			DEPRECIATION		NET BLOCK			
		01.04.11	ADDITION/ (SALE)	Total	01.04.11	During Yr.	Total	31.03.12	31.03.11	
Plant and Machinery	13.91%	0	1547250	0	1547250	0	81738	81738	1465513	0
<b>TOTAL</b>		<b>0</b>	<b>1547250</b>	<b>0</b>	<b>1547250</b>	<b>0</b>	<b>81738</b>	<b>81738</b>	<b>1465513</b>	<b>0</b>
Total (Previous Year)		0	0	0	0	0	0	0	0	0





**Note 7**

<b>Non Current Investments</b>	<b>2011-12</b>	<b>2010-11</b>
a) Investment Property	0	0
b) Investments in Equity Instruments	0	0
<b>1. Investments in Associate - Un-Quoted</b>		
Opening Balance	0	0
(Extent of holding 99%)		
Add:Share of profit for previous years	0	0
Add:Share of profit for current year	0	0
(Market Value_)		
<b>2. Investment - Quoted</b>	0	0
(Market Value_)		
<b>3. Investment in joint Venture - unquoted</b>	0	0
<b>4.Other unquoted investments</b>	0	0
	<b>0</b>	<b>0</b>

Aggregate amount of quoted investment(Market Value)	0	0
Aggregate amount of Unquoted investment	0	0
Value of Investment Property	0	0

**Note 8**

<b>Current Investments</b>	<b>2011-12</b>	<b>2010-11</b>
a) <b>Investment in Mutual Funds</b>	0	0
Mutual Funds(Provide break up of each scheme of mutual fund invested into)		
b). <b>Other investments</b>		
Commercial Paper of _____	0	0
Commercial Paper of _____	0	0
Certificate of Deposit of _____	0	0
Certificate of Deposit of _____	0	0
c) <b>Quoted Investments</b>	0	0
	<b>0</b>	<b>0</b>

Aggregate amount of quoted investment(Market Value)		
Aggregate amount of Unquoted investment		



Note 9	Current		Non- Current	
	2011-12	2010-11	2011-12	2010-11
<b>Inventories</b>				
a) Raw Materials	0	0	0	0
b) Work- in progress	0	0	0	0
c) Finished goods	60399247	60000000	0	0
d) Stock in trade	0	0	0	0
Programs. Movies & Rights	0	0	0	0
- Unamortised cost	0	0	0	0
- Under production	0	0	0	0
Raw stock Tapes	0	0	0	0
	60399247	60000000	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
	0	0	0	0
<b>TOTAL</b>	<b>60399247</b>	<b>60000000</b>	<b>0</b>	<b>0</b>

Note 10	Current		Non- Current	
	2011-12	2010-11	2011-12	2010-11
<b>Cash &amp; Cash Equivalents</b>				
a) <b>Balances with Banks</b>				
Balances with Banks				
On current accounts	5427	10195	0	0
On Margin Money	0	0	0	0
On unpaid dividend account	0	0	0	0
Deposits with banks maturity less than 12 months	0	0	0	0
	5427	10195	0	0
b) <b>Cheques, drafts on hands</b>	0	0	0	0
c) <b>Cash on Hand</b>	282694	117508	0	0
	<b>288121</b>	<b>127703</b>	<b>0</b>	<b>0</b>



**Note 11**

	Current		Non- Current	
	2011-12	2010-11	2011-12	2010-11
<b>Trade Receivable</b>				
Unsecured considered goods	0	0	0	0
Outstanding for a period exceeding	0	0	0	0
Six month from the date they are	0	0	0	0
due for payment	0	0	0	0
Others	0	0	0	0
	0	0	0	0
Less: Provision for doubtful debts	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Note 12**

	Current		Non-current	
	2011-12	2010-11	2011-12	2010-11
<b>Loans &amp; Advances</b>				
<b>a) Loans &amp; Advances to Related parties</b>	0	0	0	0
<b>b) Other Advances</b>				
Interest accrued on Investments	0	0	0	0
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, unsecured considered good	5020	295671	585788	290117
Less: Provision for doubtful advance	0	0	0	0
	0	0	0	0
Advance Direct Taxes	0	0	0	0
Advance Indirect Taxes	15530	0	0	0
	0	0	0	0
Other Receivables	0	0	0	0
Unsecured considered goods	0	0	0	0
Outstanding for a period exceeding	0	0	0	0
six month from the date they are	0	0	0	0
due for payment	0	0	0	0
Others	0	0	0	0
	0	0	0	0
Capital Advances	0	0	0	0
	0	0	173667	173667
Deposits secured, considered goods	0	0	0	0
Deposits unsecured, considered goods	0	0	0	0
<b>TOTAL</b>	<b>20550</b>	<b>295671</b>	<b>759455</b>	<b>463784</b>

**Note 13**

	2011-12	2010-11
<b>Revenue from Operations</b>		
Sale of Products	237762	156000
Less: Taxes Recovered	0	0
	<b>237762</b>	<b>156000</b>



**Note 14**

<b>Other Income</b>	<b>2011-12</b>	<b>2010-11</b>
Miscellaneous Income	1	81354
Rent Income	382150	0
	<b>382151</b>	<b>81354</b>

**Note 15**

<b>Cost of Materials Consumed</b>	<b>2011-12</b>	<b>2010-11</b>
<b>Raw Material Consumed</b>	0	0
Opening Stock	0	0
Add: Purchase During the Year	0	0
Less: Closing Stock	0	0
	<b>0</b>	<b>0</b>

**Note 16**

<b>Employee benefit expenses</b>	<b>2011-12</b>	<b>2010-11</b>
a) Salaries & wages	96000	60000
b) Contribution to provident funds	0	0
c) Staffwelfare expense	0	0
	<b>96000</b>	<b>60000</b>

**Note 17**

<b>Finance Cost</b>	<b>2011-12</b>	<b>2010-11</b>
a) Interest Expense	0	0
b) Other finance cost	2643	150
c) Net gain/loss on foreign currency transaction & translation	0	0
	<b>0</b>	<b>0</b>
	<b>2643</b>	<b>150</b>



**Note 18**

<b>Other Expenses</b>	<b>2011-12</b>	<b>2010-11</b>
Advertisement and Publicity expenses	29844	1500
Auditors Remmuration	25000	20000
Communication expenses	28960	13500
Legal, Professional and consultancy charges	20000	47000
Office Expenses	21800	14400
Printing & Stationery	27430	0
Rates & Taxes	0	70788
	<b>153034</b>	<b>167188</b>

**Auditors Remmuration Under:**

<b>Particulars</b>	<b>2011-12</b>	<b>2010-11</b>
Audit fees	25000	20000
Tax Audit fees	0	0
Certificate & Tax Services	0	0
<b>Total</b>	<b>25000</b>	<b>20000</b>



## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I.	Registration Details :	
	Registration No.	7582
	State Code	20
	Balance Sheet Date	31.03.2012
II.	Capital raised during the year :	
	Public Issue	Nil
	Right Issue	Nil
	Bonus Issue	Nil
	Private Placement	Nil
III.	Position of mobilization and deployment of funds : (In Thousands)	
	Total Liabilities	62932.89
	Total assets	62932.89

### SOURCE OF FUNDS :

Paid up Capital	32400.00
Reserve & Surplus	9483.78
Non-Current Liabilities	19019.80
Current Liabilities	2029.31

### APPLICATION OF FUNDS :

Net Fixed Assets	1465.51
Other Non-Current Assets	759.46
Current Assets	60707.92
Misc. Expenditure	0.00
Accumulated Losses	0.00


IV.	Performance of the Company:	
	Sales & Other Income	619.91
	Total Expenditure	571.21
	Profit/(Loss) before tax	48.71
	Profit/(Loss) after tax	28.83
	Earnings per share	0.01
	Dividend rate %	

### V. Generic Names of the Principal Products of Company :

Item Code No. (ITC Code)  
Product Description

Item Code No. (ITC Code)  
Product Description

FOR VISHAL MAHESHWARI & COMPANY  
CHARTERED ACCOUNTANTS

  
(VISHAL MAHESHWARI)  
Proprietor



FOR RAKAN STEELS LTD. For RAKAN STEELS LTD.

  
Director  
(Director)

  
Director  
(Director)

Place : KANPUR.  
Dated : 30.05.2012