

RAKAN STEELS LIMITED

(CIN : L27320UP1985PLC007582)

27TH ANNUAL REPORT 2013-2014

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CHAIRMAN'S MESSAGE

Dear Shareholders,

I am very happy to get this opportunity to share with you the performance of your Company for the financial year 2013-14. Your Company has endured to make good profits of Rs. 116.19 thousands even under adverse market conditions. The International economic scenario is enigmatic. Growth is picking up from the recent slowdown, but still it is not in tune with the expectations of stakeholders. We witnessed one of the most challenging business environments of recent times during the period under review. However we stayed focussed in making ourselves more robust and less prone to external volatilities. We continue to remain optimistic and agile.

Financial Year 2013-14 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.

Your Company is very keen to identify, and create new opportunities for the growth of business. In this regard, I, along with all Board Members join each and every stakeholder of the Company with great commitment and also look forward to your continued support in the fulfillment of objectives of the Company.

With warm wishes,

-Sd-
(Bindu Agarwal)
Director
DIN : 01578595

BOARD OF DIRECTORS

Mrs. BINDU AGARWAL
Mr. SANDEEP AGARWAL
Mr. MAHENDRA BAHADUR SINGH
Mr. RAMJI LAL SHARMA
Mr. UMA SHANKER DIXIT

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

COMPANY SECRETARY

Ms. RICHA TEWARI

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
E- Mail ID: support@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 object 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 2013-14 has been satisfactory. The Company has endured to make good profits of Rs. 116.19 thousands 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:

SL NO.	NAME	DESIGNATION
1	Mrs. BINDU AGARWAL	Executive/Promoter Director
2	Mr. SANDEEP AGARWAL*	Executive/Promoter Director
3	Mr. MAHENDRA BAHADUR SINGH	Non-Executive/Independent Director
4	Mr. RAMJI LAL SHARMA	Non-Executive/Independent Director
5	Mr. UMA SHANKER DIXIT*	Non-Executive/Independent Director

* Appointed w.e.f. 08.08.2014

DIRECTORSHIPS

NAME OF DIRECTOR	CATEGORY OF DIRECTORSHIP	DATE OF APPOINTMENT	NO. OF DIRECTORSHIPS HELD IN OTHER COMPANIES
Mrs. BINDU AGARWAL	Executive Director/Promoter	25/09/2010	0
Mr. RISHABH AGARWAL*	Executive Director/Promoter	08/11/2012	0
Mr. SANDEEP AGARWAL	Executive Director/Promoter	08/08/2014	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
Mr. UMA SHANKER DIXIT	Non Executive Independent Director	08/08/2014	0

*Ceased to be Director w.e.f. 08.08.2014

NUMBER OF BOARD MEETINGS

During the year the Board met 10 times on 05.04.2013, 10.05.2013, 12.06.2013, 15.07.2013, 31.08.2013, 30.10.2013, 15.11.2013, 30.12.2013, 14.02.2014 and 31.03.2014. The maximum gap between two successive board meetings did not exceed 4 months.

DIRECTORS ATTENDANCE RECORD

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

Name of Director	Category of Directorship	No. of Board Meeting held	No. of Board Meeting attended	Last AGM Attended	Other Committees
Mr. Ramji Lal Sharma	Independent Director	10	08	Yes	<ul style="list-style-type: none">• Audit Committee – Chairman• Remuneration Committee – Chairman• Share transfer and Investor Grievances Committee - Member
Mr. Mahendra Bahadur Singh	Independent Director	10	07	Yes	<ul style="list-style-type: none">• Share transfer and Investor Grievances Committee - Chairman• Audit Committee – Member• Remuneration Committee – Member
Mrs. Bindu Agarwal	Executive Director/Promoter	10	09	Yes	<ul style="list-style-type: none">• Audit Committee – Member• Share transfer and Investor Grievances Committee - Member
Mr. Rishabh Agarwal*	Executive Director/Promoter	10	09	Yes	<ul style="list-style-type: none">• Remuneration Committee – Member

**Ceased to be Director w.e.f. 08.08.2014*

DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT

As per Section 161 of Companies Act, 2013 corresponding to Section 255 read with Section 256 of the Companies Act, 1956, two third of the Directors should retire by rotation. One third of these Directors are required to retire every year and if eligible they can offer themselves for reappointment. Accordingly Mrs. Bindu Agarwal (DIN: 01578595), Director, is liable to retire by rotation and offers herself for reappointment subject to approval of members in general meeting.

Mr. Sandeep Agarwal and Mr. Uma Shanker Dixit are Additional Directors and eligible for appointment as regular Directors of the Company.

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:

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

• REMUNERATION COMMITTEE

The composition of remuneration committee is as follows:

SL NO.	NAME OF DIRECTOR	DESIGNATED POSITION IN THE COMMITTEE
1.	Mr. Ram ji Lal Sharma	Chairman
2.	Mr. Mahendra Bahadur Singh	Member
3.	Mr. Rishabh Agarwal*	Member

DETAILS OF REMUNERATION TO THE DIRECTORS

SL NO	Name and designation	Salary (p.a.)	Other Benefits	Total
1.	Mrs. Bindu Agarwal Director	Rs.3,00,000/-	NIL	Rs.3,00,000/-
2.	Mr. Rishabh Agarwal* Director	Rs.3,00,000/-	NIL	Rs.3,00,000/-
3.	Mr. Ram ji Lal Sharma Independent Director	NIL	NIL	NIL
4.	Mr. Mahendra Bahadur Singh Independent Director	NIL	NIL	NIL

*Ceased to be Director w.e.f. 08.08.2014

- **SHARE TRANSFER AND INVESTORS GRIEVANCES COMMITTEE**

The Share Transfer And Investor's Grievance committee as a sub committee of the Board inter alia reviews share transfer/investor grievances, its composition is as follows:

SL NO.	NAME OF DIRECTOR	DESIGNATED POSITION IN THE COMMITTEE
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 yet to be resolved.

3. GENERAL BODY MEETINGS

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

Financial year	Date of Meeting	Venue of Meeting	Timing of Meeting
2012-13	28.09.2013	77/39, Coolie, Bazar, Kanpur	10.00 A.M.
2011-12	29.09.2012	77/39, Coolie, Bazar, Kanpur	11.00 A.M.
2010-11	30.09.2011	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 29th, 2014.
Day - Monday
Time - 11:00 A.M.
Venue - 77/39, COOLIE BAZAR,
KANPUR
- II. **Financial Year** : 1st April 2013- 31st March 2014
- III. **Date of book closure** : 25.09.2014 to 29.09.2014
- IV. **Dividend payment date** : N/A

The Directors of the company are of the opinion not to declare dividend for the financial year.
- V. **Listing on Stock Exchange**: The Uttar Pradesh Stock Exchange Association, Kanpur.
Ahmedabad Stock Exchange Limited.
- VI. **Market Price** : The Shares of the Company are not being traded on Stock Exchanges. Hence no market price can be determined.
- VII. **Registrar and Transfer Agent**: The Company has its inbuilt Share Registry system for registering share transfers/transmission requests and other shareholders' correspondences. However the Company is also in process of appointing its Registrar & Transfer Agent.
- VIII. **Share Transfer System**: After the appointment of Registrar & Transfer Agent, the Company would provide a common agency for Share Registration and Transfer

within due course of time, subject to the validity and completeness of documents in all respect.

IX. Distribution of shareholding:

Shareholding pattern of the Company as on 31st March, 2014.

Category	No. of Shares	Percentage of Holding
Govt(Central & States)	0	0
Govt Companies	0	0
Public financial institution	0	0
Nationalized/Other Institutions/Bank	6,30,855	19.47
Mutual Funds	0	0
Venture Capital	0	0
Foreign Holding	0	0
Bodies Corporate	12,52,615	38.66
Directors/Relative	7,07,515	21.84
Others	6,49,015	20.03
TOTAL	32,40,000	100

Distribution of Shareholding:

CATEGORY		SHAREHOLDERS	
FROM	TO	NUMBER	PERCENTAGE
01	5000	2047	97.66
5001	10000	23	1.10
10001	25000	2	0.10
25001	50000	3	0.14
50001	100000	12	0.57
Above 100000		9	0.43
TOTAL		2096	100

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 02.09.2014 stating the particulars specified under the said clause.

7. CORPORATE SOCIAL RESPONSIBILITY

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

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

By the Order and on behalf of the Board of Directors

PLACE: KANPUR
DATE : 02.09.2014

Sd/-
(Bindu Agarwal)
Director
DIN: 01578595

Sd/-
(Sandeep Agarwal)
Director
DIN : 02957566

NOTICE

Notice is hereby given that the Annual General Meeting of M/s Rakan Steels Limited will be held on 29th September, 2014 at 11:00 A.M. at the Registered Office of the Company to transact the following business:-

ORDINARY BUSINESS

- i) To receive, consider and adopt the Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the year ended on that date and the reports of the Directors and Auditors thereon.
- ii) To 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 Mrs. Bindu Agarwal (DIN:01578595), Director who retire by rotation and being eligible offer herself 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 160 and all other applicable provisions, if any, of the Companies Act, 2013 or re-enactments thereof, Mr. Sandeep Agarwal (DIN:02957566) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 be and is hereby appointed as Director of the Company liable to be retire by rotation

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

“RESOLVED THAT pursuant to the provision of Sections 149, 150, 152 and 160 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of Companies Act, 2013 and every statutory modifications or re-enactment thereof for the time in force and Clause 49 of the Listing Agreement, any statutory modifications thereof for the time being in force, Mr. Uma Shanker Dixit (DIN: 02145858) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and in respect of whom the Company has received a Notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Uma Shanker Dixit (DIN: 02145858) as a candidate for the office of the Director of the Company be and is hereby appointed as an Independent Director of the Company to hold the office for a term up to five consecutive years commencing

from 29th September, 2014 or the date of the 32ND Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT pursuant to the provision of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of Companies Act, 2013 and every statutory modifications or re-enactment thereof for the time in force and Clause 49 of the Listing Agreement, any statutory modifications thereof for the time being in force , Mr. Ramji Lal Sharma (DIN: 01569313) Director of the company who retires by rotation at the ensuing AGM and in respect of whom the Company has received a Notice from a Member under Section160 of the Companies Act, 2013 signifying his intention to propose Mr. Ramji Lal Sharma (DIN: 01569313) as a candidate for the office of the Director of the Company be and is hereby appointed as an Independent Director of the Company to hold the office for a term up to five consecutive years commencing from 29th September, 2014 or the date of the 32ND Annual General Meeting, whichever is earlier.”

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

“RESOLVED THAT pursuant to the provision of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of Companies Act, 2013 and every statutory modifications or re-enactment thereof for the time in force and Clause 49 of the Listing Agreement, any statutory modifications thereof for the time being in force , Mr. Mahendra Bahadur Singh (DIN: 03550534) Director of the company who retires by rotation at the ensuing AGM and in respect of whom the Company has received a Notice from a Member under Section160 of the Companies Act, 2013 signifying his intention to propose Mr. Mahendra Bahadur Singh (DIN: 03550534) as a candidate for the office of the Director of the Company be and is hereby appointed as an Independent Director of the Company to hold the office for a term up to five consecutive years commencing from 29th September, 2014 or the date of the 32ND Annual General Meeting, whichever is earlier.”

By the Order and on behalf of the Board of Directors

PLACE: KANPUR
DATE : 02.09.2014

Sd/-
(Bindu Agarwal)
Director

DIN: 01578595

NOTES:

1. Members are entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company under the Companies Act 2013.
2. The instrument appointing the proxy should be deposited at the Registered Office of Company before 48 hours of the commencement of the meeting.
3. Shareholders seeking any further information on the accounts and operations of the Company at the Annual General Meeting are requested to send their queries to the Company at the Registered Office at least seven days before the date of the meeting.
4. The Company will close its registers from 25.09.2014 to 29.09.2014

ANNEXURE TO NOTICE:

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

Item No. iv:

Mr. Sandeep Agarwal (DIN:02957566) was appointed as an Additional Director of the Company by the Board of Directors with effect from 08.08.2014, pursuant to Section 161(1) of the Companies Act, 2013 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 160 of the Act.

Brief information of Mr. Sandeep Agarwal is given in the Annexure attached to the Notice.

Taking into the consideration his qualification and experience, the Board of Directors is of the opinion that Mr. Sandeep 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. Sandeep Agarwal, is concerned in the proposed resolution.

Item No. v:

Mr. Uma Shanker Dixit (DIN: 02145858) was appointed as an Additional Director of the Company by the Board of Directors with effect from 08.08.2014, pursuant to Section 161(1) of the Companies Act, 2013 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 Independent Director under the provisions of Section 160 of the Act.

Brief information of Mr. Uma Shanker Dixit is given in the Annexure attached to the Notice.

Taking into the consideration his experience, the Board of Directors is of the opinion that Mr. Uma Shanker Dixit as an Independent Director will be of advantage to the Company and he fulfills the conditions of his appointment as specified under the Companies Act, 2013. Accordingly, the Board recommends his appointment for acceptance by the members.

None of the Directors of the Company except Mr. Uma Shanker Dixit, is concerned in the proposed resolution.

Item No. vi & vii:

In terms of provisions of Sections 149, 150 and 152 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors), Rules 2014 and Schedule IV (Code of Independent Directors) and all other applicable provisions of Companies Act, 2013 the tenure of Independent Director shall now be fixed for a period not exceeding five years in compliance of the same your Board proposes to re-appoint the Independent Director Mr. Ramji Lal Sharma (DIN: 01569313) and Mr. Mahendra Bahadur Singh (DIN: 03550534) whose tenure ceases at the ensuing AGM and in respect of whom the Company has received a Notice from a Member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Ramji Lal Sharma (DIN: 01569313) and Mr. Mahendra Bahadur Singh (DIN: 03550534) as a candidate for the office of the Director of the Company be and is hereby appointed as an Independent Directors of the Company to hold the office for a term up to five consecutive years commencing from 29th September, 2014 or the date of the 32ND Annual General Meeting, whichever is earlier.

None of the Directors of the Company except Mr. Ramji Lal Sharma and Mr. Mahendra Bahadur Singh , are concerned in the proposed resolution.

By the Order and on behalf of the Board of Directors

PLACE: KANPUR
DATE : 02.09.2014

Sd/-
(Bindu Agarwal)
Director
DIN:01578595

Details of directors seeking appointment/reappointment at the forthcoming Annual General Meeting

Name of Director	SANDEEP AGARWAL	UMA SHANKER DIXIT
DIN	02957566	02145858
Date of Birth	09/12/1966	10/07/1976
Date of Appointment	08.08.2014	08.08.2014
Expertise & Experience	Having a rich experience in business administration and Steel & Iron Industry	Having a rich experience in Business administration
Shareholding in the Company as on 08.08.2014 (No. of equity shares of Rs. 10.00 each)	81315 Shares.	NIL
List of other public limited companies in which Directorship held as on 08.08.2014	NIL	NIL
Chairman/Members Committees of the Board across all public companies of which he is a Director as on 08.08.2014	NIL	NIL
Relationship Between Directors inter-se	NIL	NIL

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors take pleasures in presenting the 27th Annual Report together with Audited statement on the business and operations of the company for the year ended on 31st March, 2014.

FINANCIAL RESULTS:

	2013-2014 (Rs.in`000)	2012-2013 (Rs.in`000)
Income	29749.43	7952.93
Profit/(Loss) before interest & dep.	1861.10	563.48
Less:		
Interest	1485.98	0.00
Depreciation	229.13	221.90
Profit / (Loss) Before Tax	145.99	341.58
Less:		
Current Tax	23.85	23.58
Deferred Tax	5.95	4.73
Profit / (Loss) Before Tax	116.19	313.27

OPERATIONAL RESULTS:

During the year under review, the company has received an income of Rs. 29749.43 thousand as compared to the previous year income of Rs.7952.93 thousand. But due to increase in expenditure by Rs. 21992.08 thousand, the Company earned a profit after tax of Rs. 116.19 thousand as compared to the previous year profit of Rs.313.27 thousand. The Board of Directors are hopeful for the better results of the company in the next financial year.

DIVIDEND:

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

FIXED DEPOSIT:

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

AUDITORS:

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

CHANGE IN MANAGEMENT & TAKEOVER:

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

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:

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

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

INDUSTRIAL RELATIONS:

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

DIRECTOR:

As per the provisions of the Companies Act, 2013, Mrs. Bindu Agarwal (DIN:01578595), Director of the Company will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible seek reappointment.

In compliance with the new proviso of Companies Act, 2013 with reference to the appointment of Independent Director and their tenure your Board proposes to re-appoint and fix the tenure of the Independent Directors Mr. Ramji Lal Sharma (DIN: 01569313) and Mr. Mahendra Bahadur Singh (DIN: 03550534) whose tenure ceases at the ensuing AGM. The Board of the company has been reconstituted as there was cessation of Mr. Rishabh Agarwal (DIN: 02957566) from the Directorship and appointment of Mr. Sandeep Agarwal (DIN:02957566) and Mr. Uma Shanker Dixit (DIN: 02145858) as Additional Directors by the Board w.e.f. 08.08.2014 and their tenure is about to expire at the ensuing Annual General Meeting. However being eligible, they offer themselves for regularization as Director of the Company in terms of provisions of Companies Act, 2013. You are requested to consider their appointments.

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

AUDITORS REPORT:

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

CORPORATE GOVERNANCES:

As the company is required to comply with clause 49 of the Listing Agreement so the Corporate Governance Report confirming the compliance of conditions of corporate Governance forms part of the Annual Report.

LISTING OF SHARES:

The Company's shares are listed with The Uttar Pradesh Stock Exchange Association, Padam Tower, 14/113, Civil Lines, Kanpur and Ahmedabad Stock Exchange Limited.

RISK AND INTERNAL ADEQUACY:

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

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

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

Foreign Exchange earnings and outgo is NIL.

EMPLOYEES:

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

ACKNOWLEDGEMENTS:

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

By the Order and on behalf of the Board of Directors

PLACE: KANPUR
DATE : 02.09.2014

Sd/-
(Bindu Agarwal)
Director
DIN: 01578595

Sd/-
(Sandeep Agarwal)
Director
DIN : 02957566

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

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

By the Order and on behalf of the Board of Directors

PLACE: KANPUR
DATE : 02.09.2014

Sd/-
(Bindu Agarwal)
Director
DIN:01578595

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 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

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

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

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

For VISHAL MAHESHWARI & CO.
Chartered Accountants

SD/-

(CAVISHAL MAHESHWARI)

Proprietor

M.No.-076685

FRN-007952C

Place: Kanpur

Date: 02.09.2014

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
M/s RAKAN STEELS LIMITED
Kanpur.

Report on the Financial Statement

I have audited the accompanying financial statements of M/s RAKAN STEELS LIMITED ("the Company") which comprise the Balance Sheet as at 31st March 2014, and the statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that I 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 procedure selected depend on the auditor's judgment, including the assessment of the risks of material misstatements 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

In my opinion and to the best of my information and according to the explanations given to me, the 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 Balance Sheet of the state of affairs of the Company as at 31st March, 2014;
- b) In the case of the Profit & Loss Account of the profit for the year ended on that date.

Report on other Legal and Regularity Requirements

- 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 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, 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 & statement of Profit and Loss dealt with by this report are in agreement with the books of account;
 - d) In my opinion, the balance sheet and statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of the written representations received from the Directors as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 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 VISHAL MAHESHWARI & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
(VISHAL MAHESHWARI)
Proprietor
M.No: 076685
FRN: 007952C

Place: Kanpur.
Dated: 29.05.2014.

ANNEXURE REFER TO IN PARAGRAPH 1 OF REPORT ON OTHER LEGAL AND
REGULATORY REQUIREMENTS 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, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such physical verification.
 - c) In my opinion and according to the information and explanations given to me, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.
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 procedures 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 respect of 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:
 - a) As per the records produced before me and explanations given to me, the Company has not granted any loans, secured and unsecured to /from companies, firms or other parties covered in the register maintained under section 301 of the companies Act,1956.
 - b) As per records produced before me and explanation given to me, the company has taken loans from related parties.
 - c) In our opinion and according to the explanations given to me, the terms and conditions on which loan has been taken are not prima facie prejudicial to the interest of the company.
 - d) There is no overdue amount in respect of loans taken by the company as the same are repayable on demand.
4. In my opinion and according to the information and explanations given to me, 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 also for the sale of goods and services. During the course of my audit, I have not observed any continuing failure to correct major weakness in internal control system.

5. In respect of transactions covered under Sec. 301 of the Companies Act 1956 :
 - a) In my opinion and according to the information and explanations given to me, the transactions made in pursuance of contracts or which needed to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered. Consequently, the requirement of clause (v)(b) of paragraph 4 of the order is applicable.
 - b) In my opinion and according to the information given to me, each of these transactions have been made at prices which are reasonable regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to me, the company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
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)(d) of the Companies Act, 1956 in respect of manufacturing activities of the Company.
9. In respect of statutory dues :
 - a) According to the records of the company, undisputed statutory dues including provident fund, Investor education and protection fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, and any other statutory dues have been generally regularly deposited with the appropriate authorities.
 - b) According to the information and explanations given to me, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
10. The company does not have accumulated losses 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 the audit and in the immediately preceding financial year.
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 Companies (Auditor's Report) order ,2003 (as amended) are not applicable to the Company.
14. The Company has entered into transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments. Accordingly provisions of clause 4(xiv) of Companies (Auditor's Report) order, 2003 (as amended) are not applicable to the Company.
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, that causes the financial statements to be materially reported. However, the possibility of a deep rooted fraud cannot be ruled out.

For VISHAL MAHESHWARI & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
(VISHAL MAHESHWARI)
Proprietor
M.No: 076685
FRN: 007952C

Place: Kanpur.
Date: 29.05.2014

RAKAN STEELS LIMITED
BALANCE SHEET AS ON 31.03.2014

Particulars	Note No	2013-14	2012-13
EQUITY & LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	32400000	32400000
(b) Reserve & Surplus	3	9913247	9797051
(c) Money Received against share warrants		0	0
(d) Minority Interest		0	0
(2) Share application money pending allotment		0	0
(3) Non- Current Liabilities			
(a) long Term borrowings	4	11425263	11855263
(b) Deferred tax liabilities(net)	4	15331	15331
(c) Other long term liabilities	4	1218067	6410423
(d) Long term provisions	5	32855	0
(4) Current liabilities			
(a) Short term borrowings	4	4030929	130000
(b) Trade payable	4	14959945	2199969
(c) Other current Liabilities	4	19515	581708
(d) Short Term provisions	5	23854	23575
TOTAL		74039006	63413320
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets	6	2369204	1368709
(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	780515	759364
(e) Other non-current assets	12	0	0
(2). Current assets			
(a) Current investments	8	0	0
(b) Inventories	9	64858519	60399247
(c) Trade Receivables	11	1295754	741822
(d) Cash & cash equivalents	10	808557	119178
(e) Short term loans and advances	12	3926457	25000
(f) Other current assets	12	0	0
TOTAL		74039006	63413320

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

For and on behalf of the Board

Sd/-
(Vishal Maheshwari)
Proprietor
M.N.- 076685
FRN:007952C

Sd/-
(Bindu Agarwal)
DIRECTOR

Sd/-
(Rishabh Agarwal)
DIRECTOR

Place: Kanpur
Date : 29.05.2014

RAKAN STEELS LIMITED

Profit and Loss statement for the year ended 31st March 2014

Particulars	Note No.	2013-14	2012-13
I. Revenue from operations	13	29275434	7553931
II. Other Income	14	474000	399000
III.Total Revenue(I+II)		29749434	7952931
IV. EXPENSES:			
Cost of material consumed	15	0	0
Purchase of Stock- in-Trade		30791162	6485509
Changes in inventories of finished goods, work in progress and stock-in- Trade		-4459272	0
Employee benefit expense	16	144000	144000
Financial Cost	17	1488049	1846
Depreciation and amortization expense	6	229133	221904
Other Expenses	18	1410365	758094
IV.Total Expenses		29603437	7611353
V. Profit before exceptional and extraordinary items and tax	(III-IV)	145997	341578
VI.Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	145997	341578
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	145997	341578
X. Tax Expense:			
(1) Current Tax		23854	23575
(2) Deferred Tax		5947	4730
XI. Profit(Loss) from the period continuing operations	(IX-X)	116196	313273
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)	116196	313273
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period (XV+XVI+XVII)		116196	313273
XIX. Earning per equity share:			
(1) Basic		0.01	0.10
(2) Diluted		0.01	0.10

Notes to Accounts

1. Figures have been rounded of to the nearest rupee

For VISHAL MAHESHWARI & Company
Chartered Accountants

For and on behalf of the Board

Sd/-
(Vishal Maheshwari)
Proprietor
M.N.- 076685
FRN:007952C

Sd/-
(Bindu Agarwal)
DIRECTOR

Sd/-
(Rishabh Agarwal)
DIRECTOR

Place: Kanpur
Date : 29.05.2014

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. Asset comprises Franchisee Fee paid.

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
Finished Goods at Cost or Market Value whichever is less.

E) REVENUE RECOGNITION

1. Sales are accounted for on dispatch and are stated at net of trade tax and sales return.
2. Purchases are recognized at the time of receipt of material.
3. 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.

I) IMPAIRMENT OF ASSETS

An asset 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 and are included, if any, in the Director's report.

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>2013-14</u>	<u>2012-13</u>
	600000.00	564000.00

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>2013-14</u>	<u>2012-13</u>
	Amount (Rs.)	Amount (Rs.)
i) Net profit/(Loss) after tax available for equity share holders (Rs.)	116196	313273
ii) Average number of equity share of Rs. 10/- each used as denominator for calculating EPS	3240000	3240000
iii) Basic/ Diluted Earning per share of face value of Rs. 10 each (Rs.)	0.01	0.10

- 8) As informed to me, there are related party transactions. Detailed sheet is enclosed as Annexure.

	<u>2013-14</u>	<u>2012-13</u>
9) Payment to Auditor		
Audit Fees	28090.00	28090.00
Taxation Matters	-	-

- 10) There is no foreign exchange earning and outgo.
- 11) Previous year figures have been regrouped and rearranged wherever necessary, so as to correspond to that of the current year.

ANNEXURE – RELATED PARTY DISCLOSURES (AS – 18)

S.No.	Name	Nature of Transaction	Transaction Value	Closing Balance
1.	Bindu Agarwal	Unsecured Loans	21,005.00 (dr) 3,43,063.00 (cr)	6,06,058.00 (cr)
2.	Kanan Agarwal	Unsecured Loans	40,686.00 (dr) 2,86,920.93 (cr)	2,46,234.93 (cr)
3.	Rishabh Agarwal	Unsecured Loans	3,10,000.00 (dr) 17,063.00 (cr)	18,063.00 (cr)
4.	Sandeep Agarwal	Unsecured Loans	4,45,615.00 (dr) 7,57,544.08 (cr)	29,11,338.08 (cr)
5.	Sandeep Agarwal (HUF)	Unsecured Loans	43,760.00 (dr) 1,01,840.00 (cr)	5,42,080.00 (cr)
6.	Sandeep S Gupta	Unsecured Loans	2,88,669.00 (dr) 6,23,549.00 (cr)	31,25,550.40 (cr)
7.	Sanjeev Agarwal	Unsecured Loans	95,653.00 (dr) 2,22,613.01 (cr)	11,84,960.01 (cr)
8.	Sanjiv Agarwal (HUF)	Unsecured Loans	69,662.00 (dr) 1,62,122.01 (cr)	8,62,960.01 (cr)
9.	Shilpa Gupta	Unsecured Loans	4,08,645.00 (dr) 3,65,040.71 (cr)	18,20,195.71 (cr)
10.	Surendra Mohan Agarwal HUF	Unsecured Loans	21,970.00 (dr) 51,130.01 (cr)	2,72,160.01 (cr)
11.	Surendra Mohan Agarwal	Unsecured Loans	1,27,773.00 (dr) 9,55,297.99 (cr)	20,325,908.99 (cr)
12.	Vaibhav Agarwal	Unsecured Loans	45,588.00 (dr) 6,15,141.00 (cr)	9,45,053.00 (cr)
13.	Vandana Agarwal	Unsecured Loans	3,98,000.00 (dr) 3,98,000.00 (cr)	NIL
14.	Rishabh Agarwal	Director Remuneration	2,49,339.00 (dr) 3,00,000.00 (cr)	50,661.00 (cr)
15.	Bindu Agarwal	Director Remuneration	1,84,302.00 (dr) 3,00,000.00 (cr)	1,15,698.00 (cr)
16.	Rajvardhan Agencies Pvt. Ltd.	Purchases / Sales, receipt / payments	99,84,196.00 (dr) 24,37,321.00 (cr)	16,14,675.00 (dr)
17.	Shree Barsana Wires	Purchases / Sales, receipt / payments	2,80,000.00 (dr) 91,17,068.00 (cr)	88,37,068.00 (cr)
18.	Shree Radha Industries	Purchases / Sales, receipt / payments	45,88,138.80 (dr) 24,50,020.00 (cr)	24,29,940.80 (dr)

Note 2 :- Share Capital	2013-14	2012-13
Authorised Shares 5500000 Nos. Equity Shares of Rs.10/- each (Previous year 5500000 Equity shares of Rs.10/-each)	55000000	55000000
	55000000	55000000
Issued ,Subscribed & Fully Paid (3240000 Equity Shares of Rs. 10/- each)	32400000	32400000
Total Issued ,Subscribed & Fully Paid	32400000	32400000

Share Capital Schedule (No. of shares Outstanding)	31-Mar-14		31-Mar-13	
Particulars	Nos	Amount	Nos	Amount
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 2014, the amount of per share recognised as distribution to equity shareholders was Rs. 0 (31 March 2014: Rs.0)

Detail of Shareholders Holding more than 5 percent Shares

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

Note 3:- Reserve & surplus		2013-14	2012-13
(a)	Capital & Redemption Reserve		
	Opening Balance	0	0
	Less: Trading to Share capital on issue of bonus shares	0	0
	Add/less: Any other adjustments	0	0
		0	0
(b)	Bond Redemption Reserve		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		0	0
(c)	Debenture Redemption Resesrve		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		0	0
(d)	Capital Reserve		
	Opening Balance	1589220	1589220
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		1589220	1589220
(e)	Securities Premium		
	As per last Balance sheet	14000000	14000000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		14000000	14000000
(f)	General Reserve		
	As per last Balance Sheet	800000	800000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		800000	800000
(g)	Foreign Currency Transalation Reserve	0	0
(h)	Surplus in the statement of Profit & Loss Account		
	As per last Balance Sheet	-6592169	-6905442
	Add: Profit for the year	116196	313273
	Less: Appropriations	0	0
	Proposed Dividend	0	0
	Tax on dividened	0	0
	Transfer to general reserve	0	0
	Net surplus in the statement of profit and loss account	-6475973	-6592169
	Total Resesrve & Surplus	9913247	9797051

Note 4	Current		Non-Current	
	2013-14	2012-13	2013-14	2012-13
Liabilities				
a) Borrowings				
Secured				
i. Loans repayable of demand				
-From banks;	888630	0	0	0
-From other parties	0	0	0	0
Unsecured				
i. Loans and advances from related parties/shareholders and directors	3142299	130000	11425263	11855263
ii. Deposits	0	0	0	0
iii. Other Loans and advances	0	0	0	0
	4030929	130000	11425263	11855263
b) Trade payables	14959945	2199969	1200362	6349643
c) Other Liabilities				
Current maturities of Long-Term debt	0	0	0	0
Current maturities of finance lease obligations	0	0	0	0
Deffered tax liability	5947	0	15331	15331
Interest accrued but not due	0	0	0	0
Interest accrued and due	0	0	0	0
Income received in advance (Deffered and revenue)	0	0	0	0
Unpaid Dividends	0	0	0	0
Other Payables	13568	581708	17705	60780
	19515	581708	33036	76111
Note 5				
Provisions				
Provisions for employee benefit	0	0	0	0
Others				
- Proposed Dividends	0	0	0	0
- Provision for Taxation	23854	23575	32855	0
	23854	23575	32855	0

Note 6

TANGIBLE AND INTANGIBLE ASSETS:

Particulars	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		01.04.13	ADDITION/ (SALE)	Total	01.04.13	During Yr.	Total	31.03.14	31.03.13
Plant and Machinery	13.91%	1647251	0	1647251	293327	188331	481658	1165593	1353924
Computer	40.00%	25100	0	25100	10315	5914	16229	8871	14785
Car	25.89%	0	1229628	1229628	0	34888	34888	1194740	0
TOTAL		1672351	1229628	2901979	303642	229133	532775	2369204	1368709
Total (Previous Year)		1547251	125100	1672351	81738	221904	303642	1368709	0

Note 7

Non Current Investments	2013-14	2012-13
a) Investment Property	0	0
b) Investments in Equity Instruments	0	0
1. Investments in Associate - Un-Quoted		
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_)		
2. Investment - Quoted	0	0
(Market Value_)		
3. Investment in joint Venture - unquoted	0	0
4.Other unquoted investments	0	0
	0	0

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

Note 8

Current Investments	2013-14	2012-13
a) Investment in Mutual Funds	0	0
Mutual Funds(Provide break up of each scheme of mutual fund invested into)		
b).Other investments		
Commercial Paper of _____	0	0
Commercial Paper of _____	0	0
Certificate of Deposit of _____	0	0
Certificate of Deposit of _____	0	0
c) Quoted Investments	0	0
	0	0

Aggregate amount of quoted investment(Market Value)	0.00	0.00
Aggregate amount of Unquoted investment	0.00	0.00

Note 9	Current		Non- Current	
	2013-14	2012-13	2013-14	2012-13
Inventories				
a) Raw Materials	0	0	0	0
b) Work- in progress	0	0	0	0
c) Finished goods	64858519	60399247	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
	64858519	60399247	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
	0	0	0	0
TOTAL	64858519	60399247	0	0

Note 10	Current		Non- Current	
	2013-14	2012-13	2013-14	2012-13
Cash & Cash Equivalents				
a) Balances with Banks				
Balances with Banks				
On current accounts	25697	25879	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
	25697	25879	0	0
b) Cheques, drafts on hands	0	0	0	0
c) Cash on Hand	782860	93299	0	0
	808557	119178	0	0

Note 11

	Current		Non- Current	
	2013-14	2012-13	2013-14	2012-13
Trade Receivable				
Unsecured considered goods	1295754	741822	0	0
Outstanding for a period exceeding Six month from the date they are 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
TOTAL	1295754	741822	0	0

Note 12

	Current		Non-current	
	2013-14	2012-13	2013-14	2012-13
Loans & Advances				
a) Loans & Advances to Related parties	0	0	0	0
b) Other Advances				
Interest accrued on Investments	0	0	0	0
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, usecured considered good	3876457	0	581848	585697
Less: Provision for doubtful advance	0	0	0	0
Advance Direct Taxes	50000	0	25000	0
Advance Indirect Taxes	0	25000	0	0
Other Receivables	0	0	0	0
Unsecured considered goods	0	0	0	0
Outstanding for a period exceeding six month from the date they are due for payment	0	0	0	0
Others	0	0	0	0
Capital Advances	0	0	0	0
Deposits secured, considered goods	0	0	173667	173667
Deposits unsecured, considered goods	0	0	0	0
TOTAL	3926457	25000	780515	759364

Note 13

Revenue from Operations	2013-14	2012-13
Sale of Products	30394621	7838224
Less: Taxes Recovered	1119187	284293
	29275434	7553931

Note 14

Other Income	2013-14	2012-13
Miscellaneous Income	0	0
Rent Income	474000	399000
	474000	399000

Note 15

Cost of Materials Consumed	2013-14	2012-13
Raw Material Consumed		
Opening Stock	0	0
Add: Purchase During the Year	0	0
Less: Closing Stock	0	0
	0	0

Note 16

Employee benefit expenses	2013-14	2012-13
a) Salaries & wages	144000	144000
b) Contribution to provident funds	0	0
c) Staffwelfare expense	0	0
	144000	144000

Note 17

Finance Cost	2013-14	2012-13
a) Interest Expense	1485985	0
b) Other finance cost	2064	1846
c) Net gain/loss on foreign currency transaction & translation	0	0
	1488049	1846

Note 18

Other Expenses	2013-14	2012-13
Advertisement and Publicity expenses	12345	0
Auditors Remmuration	28090	28090
Balance w/o	5	0
Communication expenses	0	29350
Director's Remuneration	600000	564000
Legal,Professional and consultancy charges	21400	21750
Office Expenses	32500	32800
Printing & Stationery	29360	29220
Postage & Telegram	29070	0
Repair & Maintenance	5150	5000
Freight & Cartage	643720	38934
Telephone Expenses	8725	8950
	1410365	758094

Auditors Remmuration Under:

Particulars	2013-14	2012-13
Audit fees	28090	28090
Tax Audit fees	0	0
Certificate & Tax Services	0	0
Total	28090	28090

Cash Flow Statement For The Year Ended 31.03.2014

Particulars	Year Ended 31.03.2014		Year Ended 31.03.2013	
A Cash Flow from Operating Activities				
Profit/(-)Loss for the Year before tax & extraordinary items		145997		341578
<u>Adjustment for:</u>				
Depreciation	229133		221904	
(Increase)/Decrease in Misc. Expenditure	0		0	
Adjustment for previous Years	0		0	
(Profit) & Loss On Sale Of Investment	0		0	
Interest & Financial Charges	1488049	1717182	1846	223750
Operating Profit before Working Capital changes		1863179		565328
<u>Adjustments for:</u>				
(Increase)/Decrease in Loans and Advances	-3922608		-4359	
(Increase)/Decrease in Trade Recievables	-553932		-741822	
(Increase)/Decrease in Inventory	-4459272		0	
Increase/(Decrease) in current Liabilities	16098991		905945	
Less:-Direct Taxes Paid	-23854	7139325	-23575	136189
Net Cash from Operating Activities		9002504		701517
B Cash Flow from Investing Activities				
Purchase of fixed asset	-1229628	-1229628	-125100	-125100
Purchase of investment	0	0	0	0
Sale Of Investment	0	0	0	0
Profit/(loss) on sale of investment	0	0	0	0
Net Cash from Investing Activities		-1229628		-125100
C Cash Flow from Financing Activities				
Share Capital Issue	0		0	
Share Premium A/c	0		0	
(Payment)/ Receipt of Long Term Borrowing	-430000		-125000	
(Payment)/ Receipt of other Long Term Liabilities	-5165448		-618514	
Interest and Financial Charges	-1488049		-1846	
Dividends paid	0	-7083497	0	-745360
Net Cash from Financing Activities		-7083497		-745360
NET CASH FLOWS DURING THE YEAR(A+B+C)		689379		-168943
Cash and Cash Equivalents(Opening Balance)		119178		288121
Cash and Cash Equivalents(Closing Balance)		808557		119178

RAKAN STEELS LIMITED

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

CIN: L27320UP1985PLC007582

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 27th ANNUAL GENERAL MEETING of the Company to be held at 77/39, Coolie Bazar, Kanpur on Monday, the 29th Day of September, 2014 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

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 27TH ANNUAL GENERAL MEETING of the Company to be held at 77/39, Coolie Bazar, Kanpur on Monday, the 29th Day of September, 2014.and at any adjournment(s) thereof.

Signed this day of, 2014.

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.