



RAKAN STEELS LIMITED
(CIN : L27320UP1985PLC007582)

28TH ANNUAL REPORT
(2014-15)

CONTENTS:

- 1) Corporate Information
- 2) Directors Report
- 3) Management Discussion and Analysis Report
- 4) Corporate Governance Report
- 5) Certificate on Corporate Governance Report
- 6) Extract of Annual Return
- 7) Secretarial Audit Report
- 8) Financial Statements
 - Auditors Report
 - Balance Sheet
 - Statement of Profit and Loss
 - Cash Flow Statement
 - Notes
 - Statement of Significant Accounting Policies & Practices
- 9) Notice
- 10) Explanatory Statement pursuant to section 102 of the Companies Act 2013

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mrs. Bindu Agarwal - **Managing Director**
Mr. Sandeep Agarwal- **Executive Director**
Mr. Ramji Lal Sharma- **Non Executive & Independent Director**
Mr. Uma Shanker Dixit- **Non Executive & Independent Director**
Mr. Mahendra Bahadur Singh- **Non Executive & Independent Director**

CHIEF FINANCIAL OFFICER

Mrs. Aditi Agarwal

COMPANY SECRETARY

CS Meghna Srivastava

BANKERS

State Bank of India
H.D.F.C Bank Limited

AUDITORS

M/s Vishal Maheshwari & Company,
Chartered Accountants.
Anand Tower, 117/K/13
Sarvodaya Nagar,
Kanpur - 208025.

SECRETARIAL AUDITOR

CS. Arvind Kumar Katiyar
M-1025, Keshavpuram, 205-A,
Awas Vikas - I,
Kalyanpur, Kanpur-208019.

REGISTRAR/SHARE TRANSFER AGENT

SKYLINE FINANCIAL SERVICES PVT. LTD.
D-1 53 A, 1st Floor, Okhla Industrial Area,
Phase-1, New Delhi-110020.

REGISTERED OFFICER

77/39, Coolie Bazar,
Kanpur - 208001.

CORPORATE OFFICE

Top Floor, Anand Palace,
10/499, Allen Ganj,
Kanpur - 208002.

Email id: support@rakansteels.co.in

Website: www.rakansteels.co.in

Tele. No.: 0512-2544026, 09598668666, **Fax No.:** 0512-2544025

DIRECTOR'S REPORT TO SHARE HOLDERS

The Board of Directors has pleasure in presenting the Twenty Eighth Annual Report along with the Audited Accounts for the year ended on 31st March, 2015

FINANCIAL RESULTS (STANDALONE)

During the year under review, performance of your company as under:

Particulars	Year ended 31st March 2015	Year ended 31st March 2014
Turnover	3,32,89,780.00	2,97,49,434.00
Profit/(Loss) before taxation	1,15,656.00	1,45,997.00
Less : Tax Expense	0.00	23,854.00
Less : Deffered Tax	-1,08,744.00	5,947.00
Profit/(Loss) after tax	2,24,400.00	1,16,196.00

STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

Since its inception, the Company is engaged in iron and steel business. The Company is broadly engaged in Trading in various items such as metallic jaali, iron wire, wire nails, fabricated items, tree guards, galvanized wires and wire rods. Apart from the above, the Company is also engaged in trading of derivatives.

Recently the Company has shown great increase in its turnover and is hopeful of better results taking into consideration the market demand and the goodwill that the company is achieving by its fair and transparent business activities.

The Company is also planning to venture into supply of the above mentioned and other fabricated items to government departments. The recent economic growth has boosted the iron and steel industry and the company is hopeful to take complete advantage of it and expand its customer base.

DIVIDEND

However with the view to conserve the resources of company the directors are not recommending any dividend.

INCREASE IN ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL

The company has not issued or allotted any new shares during the year under purview. The companies issued, subscribed and paid capital stands at 32,40,000 shares of Rs.10 each.

PUBLIC DEPOSITS

As on March 31, 2015, there are no public deposits. There are no deposits that remain unclaimed. The company has not renewed/ accepted fixed deposits.

COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees. There are three committees which are as under:

- Audit Committee
- Nomination and Remuneration Committee
- Share Transfer And Investor Grievances Committee
- Risk Management Committee

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is explained in the Corporate Governance Report.

STATEMENT INDICATING THE MANNER IN WHICH FORMAL ANNUAL EVALUATION HAS BEEN MADE BY THE BOARD OF ITS OWN PERFORMANCE, ITS DIRECTORS, AND THAT OF ITS COMMITTEES

In compliance with the Companies Act, 2013 and Clause 49 of the Listing Agreement the performance evaluation of the Board was carried out during the year under review. More details on the same are given under Corporate Governance Report.

SECRETARIAL AUDITOR

The Board has appointed CS. Arvind Kumar Katiyar, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed herewith marked as **Annexure - A** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Clause 49 of the Listing Agreement with Stock Exchanges and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Clause 49 of the Listing Agreement and Section 149(6) of the Companies Act, 2013 :-

- Mr. Ramji Lal Sharma
- Mr. Uma Shanker Dixit
- Mr. Mahendra Bahadur Singh

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sandeep Agarwal, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible have offered himself for reappointment.

During the financial year under review the members approved the appointment of Mr. Sandeep Agarwal (DIN:02957566) Executive Director, Mr. Umashanker dixit (DIN: 02145858) Non-executive Non Independent Director. Mr. Ramji Lal Sharma (DIN: 01569313) Independent Director and Mr. Mahendra Bahadur Singh (DIN: 03550535) Independent Director who are not liable to retire by rotation.

During the financial year Ms. Richa Tewari was appointed as Company Secretary and Compliance Officer on 21 April, 2014 and ceased to hold office on 26 February, 2015. Ms. Meghna Srivastava was then appointed as Company Secretary and Compliance Officer on 26 February, 2015.

During the financial year Mr.Rishabh Agarwal have resigned from the office of directorship on 08.08.2014.

The following employees were designated as whole time Key Managerial Personnel by the Board of Directors during the period under review.

Mrs. Bindu Agarwal – Managing Director

Mrs. Aditi Agarwal – Chief Financial Officer

Mrs. Meghna Srivastava - Company Secretary and Compliance Officer

EXTRACT OF ANNUAL RETURN

The extract of Annual Return, in format MGT -9, for the Financial Year 2014-15 has been enclosed with this report.

NUMBER OF MEETINGS OF THE BOARD

The details of number of meeting of the Board held during the financial year 2014-15 forms part of the Corporate Governance Report.

PARTICULARS OF LOAN, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Details of Loans and Investments covered under provision of section 186 of the Companies Act, 2013 are stated in the notes of financial statements.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. Mahendra Bahadur Singh (Chairman), Mr. Ramji Lal Sharma (Member), Mrs. Bindu Agarwal (Member). All the recommendations made by audit committee were accepted by Board.

VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Whistle Blower Policy is available on the website of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has taken measures to employ power saving devices using advanced technology in carrying out all its activities. The company has adopted a vigilant policy to avoid any misuse of power and energy.

There was no foreign exchange inflow or Outflow during the year under review.

AUDITORS' REPORT

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark which is annexed hereto and forms part of the Annual Report.

STATUTORY AUDITORS

M/s Vishal Maheshwari & Company, Chartered Accountants (Firm Registration No. [007952C]) are the Statutory Auditors of the Company, holding office as such till the conclusion of the ensuing Annual General Meeting (AGM) and being eligible have offered themselves for reappointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, the Board proposes reappointment of M/s Vishal Maheshwari & Company as Statutory Auditors of the Company from the conclusion of this AGM until the conclusion of next AGM.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the Year, such controls were tested and no reportable material weakness in the design or operation were observed.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Report Companies Act, 2013 and stipulated under listing agreement with the Stock Exchange. A separate section on Corporate Governance under the Listing Agreement along with the certificate from the Auditor's confirming the Compliance, is annexed and forms the part of this Annual Report.

RISK MANAGEMENT

Adverse weather conditions, future climate change, increases in labor, personnel and benefits costs, may adversely affect our business operations, as well as our operating results.

To mitigate such risk the management is always vigilant to overcome the aforesaid problem by applying appropriate technology, employing deserving executives, proper reporting and recording of data, timely evaluation and best decisions making.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby confirm that:

- i. In the preparation of the annual accounts for financial year ended on March 31, 2015, the applicable accounting standards have been followed.
- ii. 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 March 31, 2015 and of the profit of the Company for the year ended on that date.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the annual accounts for financial year ended on March 31, 2015 on a 'going concern' basis.

RELATED PARTY TRANSACTION

In terms of the Accounting Standard-18 "Related Party Disclosures", as notified under the Companies (Accounting Standards) Rules, 2006, the Company has identified the related parties covered therein and details of transactions with such related parties have been disclosed in Notes to the Accounts forming part of this Annual Report.

Transactions with related parties entered into by the Company are in the normal course of business on arm's length basis and do not have potential conflicts with the Company. Further, these transactions are also placed in the Audit Committee Meeting(s).

ACKNOWLEDGEMENT

We thank our customers, business associates, bankers and government authorities for their continued support during the last year.

We wish to convey our deep appreciation to the suppliers/vendors for their valuable support. We also place on record our sincere appreciation for the enthusiasm and commitment of Company's employees for the growth of the Company and look forward to their continued involvement and support.

Place: 13-08-2015
Date: Kanpur

By order of the Board of Directors
For Rakan Steels Limited

Sd/-
(Bindu Agarwal)
Managing Director
DIN:01578595

Sd/-
(Sandeep Agarwal)
Director
DIN:02957566

MANAGEMENT DISCUSSION & ANALYSIS REPORT

INTRODUCTION

Since its inception, the Company is engaged in iron and steel related operations. The Company is broadly engaged in trading of wire rods, iron wire, wire nails, iron sheets etc.

INDUSTRY STRUCTURE AND DEVELOPMENT

The iron and steel industry in India is nearly a century old with the first integrated steel plant setup in 1907. The iron and steel industry is expanding worldwide. For a number of years it has been benefiting from the exceptionally buoyant Asian economies. The economic modernization process in these countries is driving the sharp rise in demand of iron and steel.

Iron, steel's precursor, fueled the industrial revolution starting in 1750, enabling manufacturing equipment in factories and rail transport. Modern steelmaking was developed 150 years ago with the invention of the Bessemer process allowing for the affordable mass-production of steel (an iron alloy). This set off a second industrial revolution, and sustained economic growth

OPPORTUNITIES AND THREATS

There is always demand of iron and steel products. So Company's existing business is assured to be on demand whether there is agricultural, infrastructural development, construction work, etc. Company is getting ahead for its expansion in its respective business sector as determined by its board.

The Company is also in process to introduce itself as a supplier to Government. The rapid increase in development projects has led to an increase in demand of our products.

Though company is operating in profit making sectors still its growth dependent on climate, government policies, availability of labors, and other factors.

SEGMENTWISE PERFORMANCE

Company's business activity primarily falls within a single business and geographical segment, during the year under review iron and steel products worth Rs.2,85,97,096.00 /- were sold.

OUTLOOK

The Company expects that the situation will ameliorate due to favorable changes in climatic condition and government policies. The market of iron and steel products is expected to grow and would be on demand.

Company is making constant efforts to improve operational efficiency to increase the earnings and making value addition in their operational activities.

RISKS & CONCERNS THE MANAGEMENT PERCEIVE

The growth in the industrial sector depends on government policies, better infrastructure, favorable climate, availability of labor, open market and growth in iron and steel sector.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

Internal Control Systems are implemented:-

- To safeguard the Company's assets from loss or damage.
- To keep constant check on cost structure.
- To provide adequate financial and accounting controls and implement accounting standards.

The system is improved and modified continuously to meet with changes in business condition, statutory and accounting requirements. Internal controls are adequately supported by periodic review by the management.

The Audit Committee meets periodically to review –

- Financial statements, with the management and statutory auditors;
- Adequacy/scope of audit function, significant findings and follow up thereon of any abnormal nature, with the auditors.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL EFFICIENCY

The details of the financial performance of the Company appear in the Balance Sheet, Statement of Profit and Loss and other financial statements appearing separately. Please refer the Directors' Report for highlights.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES, INDUSTRIAL RELATIONS

The human resources received consistent attention during the year considering the growth of the organization and the need arising there from. The relation at all levels was cordial throughout the year and the Company has initiated many programs on enhancing the skills of its men power.

As an ongoing exercise, the Company has continued to look at, identify, create and execute seamlessly, initiatives which enhance productivity and efficiency.

The Company continues to invest in people, required machines and equipments which enable the work force to meet the business requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

There are 04 employees on roll in an organization as on 31st March, 2015

CAUTION

This report is based on the experience and information available to the Company in the iron and steel sector and assumption in regard to domestic and global economic conditions, government and regulation policies etc.

The performance of the Company is dependent on these factors. It may be materially influenced by the changes therein beyond the Company's control, affecting the views expressed in or perceived from this report.

On behalf of the Board of Directors

Sd/-

(Bindu Agarwal)
Managing Director
DIN: 01578595

Annexure— B

REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report relating to the year ended on 31st March, 2015 has been issued in compliance of Clause 49 of Listing Agreement with the Stock Exchange (BSE Platform) and forms part of the Report of the Board of Director's to the Members of the Company.

1. Company's Philosophy of Corporate Governance

The Company aims at conducting its business efficiently, by following professionally acknowledged good governance policies, thus meeting its obligations to all stakeholders in a balanced and accountable manner.

2. Board of Directors

(a) Composition

The Board of Directors Comprises of five directors, one of them is Managing Director.

The office of Managing Director is held by the Mrs. Bindu Agarwal one of the Promoter of the company.

(b) Attendance of each director at the Board meetings and the last AGM.

Name	DIN	Category of Directorship	No. of Board Meeting Attended	Attendance at last AGM
Mrs. Bindu Agarwal	01578595	Managing Director- ED	9	Yes
Mr. Sandeep Agarwal	02957566	ED	8	Yes
Mr. Ramji Lal Sharma	01569313	NED-I	10	Yes
Mr. UmaShanker Dixit	02145858	NED-I	9	Yes
Mr. Mahendra Bahadur Singh	03550534	NED-I	8	Yes

ED – Executive Director

NED – I – Non-Executive – Independent Director

Note 1: The Company has disclosed to the Stock Exchanges in the "Quarterly Compliance Report on Corporate Governance" on compliance in regard to composition of Board of Directors.

(c) Number of other Companies or Committees the Director of the Company is a Director/ Member/Chairman: -

Name of Director	No. of Directorships in other Boards	No. of Memberships in other Board Committees	No. of Chairmanships in other Board Committees
Mrs. Bindu Agarwal	Nil	02	Nil

Mr. Sandeep Agarwal	Nil	01	01
Mr. RamjiLal Sharma	Nil	02	01
Mr. UmaShanker Dixit	Nil	01	01
Mr. Mahendra Bahadur Singh	Nil	01	01

(d) Details of Board Meeting held during the period under review:

Sr. No.	Date
01	21.04.2014
02	29.05.2014
03	17.07.2014
04	13.08.2014
05	01.09.2014
06	13.11.2014
07	25.11.2014
08	01.12.2014
09	01.02.2015
10	10.02.2015

3. AUDIT COMMITTEE

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement and the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Mahendra Bahadur Singh	Chairman	04
Mr. Ramji Lal Sharma	Member	04
Mrs. Bindu Agarwal	Member	04

iii. Details of Audit Committee Meetings held during the year under review:

Sr. No.	Date
1.	08.07.2014
2.	25.10.2014
3.	10.02.2015
4.	21.03.2015

Note: The Company Secretary of the Company acts as the Secretary to the Committee.

4. Nomination and Remuneration Committee

i. Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement and the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Umashanker Dixit	Chairman	03
Mr. Ramji Lal Sharma	Member	03
Mr. Sandeep Agarwal	Member	03

iii. Remuneration Policy

Remuneration policy of the Company aims at recommending and reviewing the remuneration to Managing Director, Non-executive Directors and Key Managerial Personnel of the Company based on evaluation criteria such as industry benchmarks, company's annual performance & its strategy, expertise, talent and meritocracy.

Directors express their satisfaction with the evaluation process.

Remuneration of Director:

The remuneration payable to the Managing director is approved by the members at the general meeting of the Company. Remuneration of executive directors consists of a fixed salary, perquisites and allowances, performance linked bonus, based on the individual and the Company's performance and commission based on net profits of the Company. The Board of Directors determines the performance linked bonus on the recommendation of the Nomination and Remuneration Committee.

Details of remuneration paid to Managing Director for the year under review:

Name of the Director	Salary	Commission	Performance linked bonus	Perquisites and Contribution to Provident Fund
Mrs. Bindu Agarwal	3,00,000	-	-	-

5. Share Transfer and Investors Grievances Committee

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement and the Companies Act, 2013.

ii. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Ramji Lal Sharma	Chairman	01
Mr. Mahendra Bahadur Singh	Member	01
Mrs. Bindu Agarwal	Member	01

The meeting of the Committee was held on 04.01.2015 which was attended by all the members.

Note-1: The Company Secretary of the Company acts as the Secretary to the Committee.

Note-2: There was one complaint pending from the shareholder during the period under review as per

the report provided by the Registrar and Transfer Agent. The company has taken all necessary steps to resolve the same.

6. Risk Management Committee

i. Composition, Name of Members and Chairperson

Name	Designation	No. of Meetings Attended
Mr. Sandeep Agarwal	Chairman	01
Mrs. Aditi Agarwal	Member	01
Mr. Uma Shanker Dixit	Member	01

7. General Body Meetings

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

Financial Year	Date	Time	Venue
2011-12	29.09.2012	11.00 AM	77/39, Coolie Bazar, Kanpur - 01
2012-13	28.09.2013	10.00 AM	77/39, Coolie Bazar, Kanpur - 01
2013-14	29.09.2014	11.00 AM	77/39, Coolie Bazar, Kanpur - 01

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

Financial Year	Special Resolution
2011-12	No
2012-13	No
2013-14	No

8. DISCLOSURE

I. Related Party Transaction: Details of transaction with Related Party have been reported in the Notes to Accounts. All the transactions with the related party are at arm's length basis and there are no materially significant related party transactions which may have potential conflict with the company at large.

II. Compliances: There was one instance of non-compliance by the Company. The same has been duly complied with and disposed off.

III. Whistle Blower Policy: The Company has in place an employee concern (Whistle Blower) which is available on the website of the Company. No personnel have been denied access to the Audit Committee to lodge their grievance.

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

9. MEANS OF COMMUNICATION

Shareholding Patterns, Corporate Governance Report and Financial results are transmitted to the stock Exchange and are also uploaded on the website "www.rakansteels.co.in" of the company.

The Company's news releases are displayed on the Company's website as per the requirement of listing agreement.

10. GENERAL SHAREHOLDER INFORMATION

AGM : Date, Time & Venue	30 TH September, 2015 (11.00 am) at Top Floor, Anand Palace, 10/499 Allen Ganj, Kanpur.
Financial year	The Financial year under the review covers the following period 01.04.2014 -31.03.2015
Date of Book Closure	23-09-2015 to 30-09-2015
Listing on Stock Exchange	Uttar Pradesh Stock Exchange Limited, Ahmedabad Stock Exchange Limited.
Stock Code	ISIN: INE773R01018
Registrar and Transfer Agent	Skyline Financial Services Pvt. Ltd.
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agent.
Distribution of Shareholding and Shareholding Pattern as on 31.03.2015	Please see Annexure
Dematerialization of Shares and Liquidity	0.001 of the paid capital are dematerialized as on March 31, 2015
Address for correspondence	Corp. Office: Top Floor, Anand Palace, 10/499 Allen Ganj, Kanpur-208002, Uttar Pradesh Email Id. : support@rakansteels.co.in Tele. : 0512-2544026, Mob. : 9598668666, Fax : 0512-2544025

11. EVALUATION OF THE BOARD'S PERFORMANCE:

During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Managing Director of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

12. WHISTLE BLOWER POLICY

The Company has formulated a Whistle Blower Policy to establish a vigil mechanism for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

13. INSIDER TRADING CODE

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code. All Board Directors and the designated employees have confirmed compliance with the Code.

14. CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the company. The code laid down by the Board is known as "code of conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website www.rakansteels.co.in. The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance on the expected behaviour from an employee in a given situation and the reporting structure. All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard

On behalf of the Board of Directors

Sd/-
(Bindu Agarwal)
Managing Director
DIN: 01578595

Declaration Regarding Code of Conduct

I hereby declare that all the Directors and Senior Management Personnel have confirmed compliance with the Code of Conduct as adopted by the Company.

Sd/-
(Bindu Agarwal)
Managing Director
DIN: 01578595

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Rakan Steels Limited

We have reviewed the financial statements and the cash flow statement of Rakan Steels Limited for the year ended 31ST March, 2015 and that to the best of our knowledge and belief, we state that;

- (a) (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
- (ii) These statements present a true and fair view of the Company's affairs and are in compliance with current accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes, if any, in the internal control over financial reporting during the year.
- (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
(Aditi Agarwal)
Chief Financial Officer

Sd/-
(Bindu Agarwal)
Managing Director

Form No.MGT-9

**EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31/03/2015
Of
RAKAN STEELS LIMITED**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L27320UP1985PLC007582
2.	Registration Date	16.12.1985
3.	Name of the Company	Rakan Steels Limited
4.	Category/Sub-Category of the Company	Listed Public Company
5.	Address of the registered office and contact details	77/39, Coolie Bazar, Kanpur - 20801 Tel : 0512-2544026 Fax : 0512-2544025
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	SKYLINE FINANCIAL SERVICES PVT. LTD D-1 53 A, 1 st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Tele.; 011-26812682-83

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products / services	% to total turnover of the company
1	Iron and Steel Products	87.72%
2	Derivatives	12.28%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

S. No	Name and address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of Shares Held	Applicable Section
	NA	NA	NA	NA	NA

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year	No. of Shares held at the end of the year	% Change
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i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	637715	637715	19.68	200	633615	633815	19.56	(0.12)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	11400	11400	0.35	-	35600	35600	1.1	0.74
c) Others (HUF)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	1633430	1633430	50.41	200	1653530	1653730	51.04	0.62
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	2264285	2264285	69.89	200	2284385	2284585	70.51	0.62
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	3240000	3240000	100	200	3239800	3240000	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	No. of Shares	%of total Shares of the company	%of Shares Pledged/encumbered to total shares	
1.	Surendra Mohan Agarwal	243000	7.50	0	243000	7.50	0	0.00
2.	Pawan Kumari Agarwal	83000	2.56	0	83000	2.56	0	0.00
3.	Bindu Agarwal	81950	2.53	0	81950	2.53	0	0.00
4.	Sanjeev Agarwal	110300	3.40	0	110300	3.40	0	0.00
5.	Vandana Agarwal	87550	2.70	0	87550	2.70	0	0.00
6.	Sandeep Agarwal	81315	2.51	0	81315	2.51	0	0.00
7.	Surendra Mohan Agarwal HUF	6100	0.19	0	0	0	0	(0.19)
8.	Sanjeev Agarwal HUF	6100	0.19	0	0	0	0	(0.19)
9.	Sandeep Mohan Agarwal HUF	6000	0.19	0	0	0	0	(0.19)

10.	Lata Agarwal	1000	0.03	0	0	0	0	(0.03)
11.	Manoj Agarwal	1000	0.03	0	0	0	0	(0.03)
12.	Poonam Agarwal	100	0.00	0	0	0	0	(0.00)
13.	Rajvardhan Agencies Private	268300	8.28	0	268300	8.28	0	0.00
	Total	975715	30.11	0	955415	29.49	0	(0.62)

(iii) Shareholding Pattern of top ten Shareholders other than Directors, Promoters and Holders of GDRs and ADRs):

Sr . No.	Top Ten Shareholders	Shareholding at the beginning of the year		Transaction Details			Cumulative Shareholding during the year		Reason
		No. of shares	%of total shares of the company	Sale	Purchase	Date		%of total shares of the company	
1	Indbank Merchant Banking Services Ltd.	158776	4.90	0	0	--	158776	4.90	--
2	Success Vyapar Ltd.	142800	4.41	0	0	--	142800	4.41	--
3	Raghuvansh Agro Farms Ltd.	131774	4.07	0	0	--	131774	4.07	--
4	State Bank Of Hyderabad	126600	3.91	0	0	-	126600	3.91	--
5	Vasundhara Capital and Securities Ltd.	105500	3.26	0	0	--	105500	3.26	--
6	BOI Finance Ltd.	95300	2.94	0	0	--	95300	2.94	--
7	Bank Of Baroda	95300	2.94	0	0	--	95300	2.94	--
8	State Bank of Mysore	95100	2.94	0	0	--	95100	2.94	--
9	Enam Financial Consultants P. Ltd.	93100	2.87	0	0	--	93100	2.87	--
10	The Federal Bank Ltd.	86600	2.67	0	0	--	86600	2.67	--

(iv) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No .of shares	% of total shares of	No. of shares	%of total shares of
1.	Mrs. Bindu Agarwal	Managing Director	81950	2.53	81950	2.53
2.	Mr. Sandeep Agarwal	Director	81315	2.51	81315	2.51
3.	Mr. Ramji Lal Sharma	Director	0	0	0	0
4.	Mr. Mahendra Bahadur Singh	Director	0	0	0	0
5.	Mr. Umashanker Dixit	Director	0	0	0	0
6.	Mrs. Aditi Agarwal	CFO	0	0	0	0
7.	Ms. Meghna Srivastava	CS	0	0	0	0

V.INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	8,88,630.00	1,30,81,577.00	-	1,39,70,207.00
ii)Interest due but not paid	-	14,85,985.00	-	14,85,985.00
iii)Interest accrued but not due	-	-	-	-
Total(i+ ii + iii)	8,88,630.00	1,45,67,562.00	-	1,54,56,192.00
Change in Indebtedness during the financial year				
· Addition	-	87,20,726.00	-	87,20,726.00
· Reduction	2,87,327.00	1,43,09,457.00	-	1,45,96,784.00
Net Change	-2,87,327.00	-55,88,731.00	-	-58,76,058.00
Indebtedness at the end of the financial year				
i) Principal Amount	6,01,303.00	75,91,931.00	-	81,93,234.00
ii) Interest due but not paid	-	13,86,900.00	-	13,86,900.00
iii) Interest accrued but not due	-	-	-	-
Total(i+ii+iii)	6,01,303.00	87,78,831.00	-	95,80,134.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mrs. Bindu Agarwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25000	3,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total (A)	25,000	3,00,000

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
	3. Independent Directors	-	-	--	-	-
	· Fee for attending board committee meetings	-	-	-	-	-
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
	4. Other Non-Executive Directors	-	-	-	-	-
	· Fee for attending board committee meetings	-	-	-	-	-
	· Commission	-	-	-	-	-
	· Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial	-	-	-	-	-
	Overall Ceiling as per the	-	-	-	-	-

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

Sl. no	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	-	1,44,000	3,00,000	5,40,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- Others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	1,44,000	3,00,000	5,40,000

VII. PENALTIES/PUNISHMENT/COMPOUNDINGOFFENCES: There was one instance on non-compliance on which SEBI had imposed penalty. The penalty has been paid and complied with by the company.

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

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

To,

The Members,

Rakan Steels Limited
77/39 Coolie Bazar
Kanpur

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Rakan Steels Limited.(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Rakan Steels Limited for the financial year ended on 31st March,2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii)The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv)Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the Audit period);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and

Employee Stock Purchase Scheme) Guidelines, 1999 (not applicable to the company during the Audit period);

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the Audit period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (not applicable to the company during the Audit period);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the Audit period)and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the Audit period);
- (vi) Other Applicable Laws:
- i) Income Tax Act, 1961 and rules made there under,
 - ii) Uttar Pradesh- Value Added Tax.

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Ahmedabad Stock Exchange and Uttar Pradesh Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

I/we further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I/we further report that during the audit period, there were no events having a major bearing on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines etc,

Note: Para wise details of the Audit finding, if necessary, may be placed as annexure to the report.

Sd/-

Arvind Kumar Katiyar
(Company Secretary)
ACS No.:4933
C.P No.: 1405

Place : Kanpur
Date : 31.05.2015

To,

The Members,
Rakan Steels Limited
77/39 Coolie Bazar
Kanpur

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the content of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company
4. Where ever required, i have obtain the management Representation about the compliance of laws, rules and regulation and happening of every events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-

Arvind Kumar Katiyar
(Company Secretary)
ACS No.:4933
C.P No.: 1405

Place : Kanpur

Date : 31.05.2015

INDEPENDENT AUDITOR'S REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of M/s Rakan Steels Limited ("the Company") which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the annexure a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.
- 2) As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of sub section (2) of Section 164 of the Companies Act, 2013.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For VISHAL MAHESHWARI & COMPANY
Chartered Accountants
FRN: 007952C

Sd/-
VISHAL MAHESHWARI
Partner
M.No: 076685

Place: Kanpur.
Dated: 31.05.2015

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the accounts of Rakan Steels Limited ("the Company") for the year ended March 31, 2015)

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.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
2. In respect of its inventories:
 - a) The inventories have been physically verified during the year by the management. In our opinion frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management 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 us, there were no material discrepancies noticed on physical verification as compared to the book records.
3. As per the records produced before us and explanations given to us, the Company has not granted any loans, secured and unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013, therefore, the relevant provisions of the Companies (Auditor's Report) order, 2015, are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system.

5. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act , 2013 , therefore , the relevant provisions of the Companies (Auditor’s Report) order, 2015, are not applicable to the Company.
6. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 1956 in respect of business activities of the Company.
7. In respect of statutory dues :
 - a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees’ state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty excise duty and other statutory dues mentioned above were in arrears, as at 31.03.2015 for a period of more than six months from the date they became payable.
 - b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
 - c) There were no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies act, 1956 and rules made thereunder.
8. 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.
9. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company has not issued any Debentures.
10. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks and financial institutions.
11. According to the information and explanations given to us, the Company has not availed any term loans during the year.

12. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For VISHAL MAHESHWARI & COMPANY
Chartered Accountants
FRN: 007952C

Sd/-
VISHAL MAHESHWARI
Partner
M.No: 076685

Place: Kanpur.
Dated: 31.05.2015

RAKAN STEELS LIMITED
BALANCE SHEET AS ON 31.03.2015

Particulars	Note No	2014-15	2013-14
EQUITY & LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	32400000	32400000
(b) Reserve & Surplus	3	10097318	9913247
(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	8978831	11425263
(b) Deferred tax liabilities(net)	4	0	15331
(c) Other long term liabilities	4	0	1218067
(d) Long term provisions	5	22038	32855
(4) Current liabilities			
(a) Short term borrowings	4	601303	4030929
(b) Trade payable	4	24350413	14959945
(c) Other current Liabilities	4	241137	19515
(d) Short Term provisions	5	0	23854
TOTAL		76691040	74039006
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets	6	1809132	2369204
(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)		87466	0
(d) Long term loans & advances	12	173667	780515
(e) Other non-current assets	12	0	0
(2). Current assets			
(a) Current investments	8	0	0
(b) Inventories	9	64080355	64858519
(c) Trade Receivables	11	4168314	1295754
(d) Cash & cash equivalents	10	468828	808557
(e) Short term loans and advances	12	5903278	3926457
(f) Other current assets	12	0	0
TOTAL		76691040	74039006

Notes to Accounts

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

For VISHAL MAHESHWARI & Company
Chartered Accountants
Sd/-
(Vishal Maheshwari)
Proprietor
M.N.- 076685
FRN:007952C

RAKAN STEELS LIMITED

Sd/-
Bindu Agarwal
(Managing Director)

Sd/-
Sandeep Agarwal
(Additional Director)

Place: Kanpur
Date : 25.05.2015

Sd/-
Aditi Agarwal
(Chief Financial Officer)

Sd/-
Meghna Srivastava
(Company Secretary)

RAKAN STEELS LIMITED
Profit and Loss statement for the year ended 31st March 2015

Particulars	Note No.	2014-15	2013-14
I. Revenue from operations	13	32599780	29275434
II. Other Income	14	690000	474000
III.Total Revenue(I+II)		33289780	29749434
IV. EXPENSES:			
Cost of material consumed	15	0	0
Purchase of Stock- in-Trade		26788236	30791162
Changes in inventories of finished goods, work in progress and stock-in- Trade		778164	-4459272
		0	0
Employee benefit expense	16	266000	144000
Financial Cost	17	1485998	1488049
Depreciation and amortization expense	6	616231	229133
Other Expenses	18	3239495	1410365
IV.Total Expenses		33174124	29603437
V. Profit before exceptional and extraordinary items and tax	(III-IV)	115656	145997
VI.Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	115656	145997
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	115656	145997
X. Tax Expense:			
(1) Current Tax		0	23854
(2) Deferred Tax		-108744	5947
XI. Profit(Loss) from the period continuing operations	(IX-X)	224400	116196
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)	224400	116196
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period (XV+XVI+XVII)		224400	116196
XIX. Earning per equity share:			
(1) Basic		0.07	0.04
(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

Sd/-

(Vishal Maheshwari)

Proprietor

M.N.- 076685

FRN:007952C

Place: Kanpur

Date : 25.05.2015

Rakan Steels Limited

Sd/-

Bindu Agarwal
(Managing Director)

Sd/-

Sandeep Agarwal
(Additional Director)

Sd/-

Aditi Agarwal
(Chief Financial Officer)

Sd/-

Meghna Srivastava
(Company Secretary)

Note 6**TANGIBLE AND INTANGIBLE ASSETS:**

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	01.04.14	Addition	Adj.	Total	01.04.14	During Yr.	Total	31.03.15	31.03.14
Plant and Machinery	1647251	17800	0	1665051	481658	223135	704793	960258	1165593
Computer	25100	0	0	25100	16229	5578	21807	3293	8871
Furniture & Fixture	0	22400	0	22400	0	5799	5799	16601	0
Office Equipment	0	15960	0	15960	0	7193	7193	8767	0
Car	1229628	0	0	1229628	34888	374526	409414	820214	1194740
TOTAL	2901979	56160	0	2958139	532775	616231	1149006	1809133	2369204
Total (Previous Year)	1672351	1229628	0	2901979	303642	229133	532775	2369204	1368709

Note 2 :- Share Capital	2014-15	2013-14
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-15		31-Mar-14	
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 2015, 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		2014-15	2013-14
(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 Reserve		
	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 Translation Reserve	0	0
(h)	Surplus in the statement of Profit & Loss Account		
	As per last Balance Sheet	-6475973	-6592169
	Add: Profit for the year	224400	116196
	Less: Appropriations	40329	0
	Proposed Dividend	0	0
	Tax on dividend	0	0
	Transfer to general reserve	0	0
	Net surplus in the statement of profit and loss account	-6291902	-6475973
	Total Reserve & Surplus	10097318	9913247

Note 4 Liabilities	Current		Non-Current	
	2014-15	2013-14	2014-15	2013-14
a) Borrowings				
Secured				
i. Loans repayable of demand				
-From banks;	601303	888630	0	0
-From other parties	0	0	0	0
Unsecured				
i. Loans and advances from related parties/shareholders and directors	0	3142299	8978831	11425263
ii. Deposits	0	0	0	0
iii. Other Loans and advances	0	0	0	0
	601303	4030929	8978831	11425263
b) Trade payables	24350413	14959945	0	1200362
c) Other Liabilities				
Current maturities of Long-Term debt	0	0	0	0
Current maturities of finance lease obligations	0	0	0	0
Deferred tax liability	0	5947	21278	15331
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	241137	13568	0	17705
	241137	19515	21278	33036
Note 5				
Provisions				
Provisions for employee benefit	0	0	0	0
Others				
- Proposed Dividends	0	0	0	0
- Provision for Taxation	0	23854	22038	32855
	0	23854	22038	32855

Note 7

Non Current Investments	2014-15	2013-14
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	2014-15	2013-14
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)	
Aggregate amount of Unquoted investment	

Note 9	Current		Non- Current	
	2014-15	2013-14	2014-15	2013-14
Inventories				
a) Raw Materials	0	0	0	0
b) Work- in progress	0	0	0	0
c) Finished goods	64080355	64858519	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
	64080355	64858519	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
	0	0	0	0
TOTAL	64080355	64858519	0	0

Note 10	Current		Non- Current	
	2014-15	2013-14	2014-15	2013-14
Cash & Cash Equivalents				
a) Balances with Banks				
Balances with Banks				
On current accounts	276947	25697	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
	276947	25697	0	0
b) Cheques, drafts on hands	0	0	0	0
c) Cash on Hand	191881	782860	0	0
	468828	808557	0	0

Note 11	Current		Non- Current	
	2014-15	2013-14	2014-15	2013-14
Trade Receivable				
Unsecured considered goods	4168314	1295754	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	4168314	1295754	0	0

Note 12	Current		Non-current	
	2014-15	2013-14	2014-15	2013-14
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, unsecured considered good	5853278	3876457	0	581848
Less: Provision for doubtful advance	0	0	0	0
	50000	50000	0	25000
Advance Direct Taxes	0	0	0	0
Advance Indirect Taxes	0	0	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	5903278	3926457	173667	780515

Note 13	2014-15	2013-14
Revenue from Operations		
Sale of Products	33743667	30394621
Less: Taxes Recovered	1143887	1119187
	32599780	29275434

Note 14

Other Income	2014-15	2013-14
Miscellaneous Income	0	0
Rent Income	690000	474000
	690000	474000

Note 15

Cost of Materials Consumed	2014-15	2013-14
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	2014-15	2013-14
a) Salaries & wages	266000	144000
b) Contribution to provident funds	0	0
c) Staff welfare expense	0	0
	266000	144000

Note 17

Finance Cost	2014-15	2013-14
a) Interest Expense	1386900	1485985
b) Other finance cost	99098	2064
c) Net gain/loss on foreign currency transaction & translation	0	0
	0	0
	1485998	1488049

Note 18

Other Expenses	2014-15	2013-14
Advertisement and Publicity expenses	120805	12345
Auditors Remuneration	89888	28090
Balance w/o	-1	5
Accounting Expenses	36205	0
Annual Fees	318791	0
Depository Fees	29214	0
Fees	387080	0
Filing Fess	82450	0
Income Tax Paid	0	0
Insurance	3466	0
Listing Fees	1123600	0
Director's Remuneration	300000	600000
Professional and consultancy charges	17225	21400
Office Expenses	34020	32500
Printing & Stationery	94900	29360
Postage & Telegram	35325	29070
Repair & Maintenance	7140	5150
Freight & Cartage	548987	643720
Telephone Expenses	10400	8725
	3239495	1410365

Auditors Remuneration Under:

Particulars	2014-15	2013-14
Audit fees	56180	28090
Tax Audit fees	0	0
Certificate & Tax Services	33708	0
Total	89888	28090

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 II of the Companies Act, 2013.

C) DEPRECIATION / AMORTISATION

Depreciation on Fixed Assets has been provided on written down value method as per the rates prescribed in Companies Act, 2013.

D) INVENTORIES

Raw Material at Cost on FIFO Method.

WIP and 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 company 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

Provisions 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 TO 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>2014-15</u>
	600000.00	300000.00

As no commission is payable to the Directors of the company computation of net profit u/s 198 of The Companies Act, 2013 has not been given.

- 4) Deferred Tax: Provision for deferred tax assets / liabilities is in accordance with applicable accounting standards.
- 5) The Company has not accepted any deposits during the current year. Prior to 1.4.2014 the Company had accepted loans from its members. As per General Circular No. 05/2015 dated 30.3.2015 issued by MCA, these loans are not considered as Deposits within the relevant provisions of Companies Act, 2013. As at the year end the aggregate amount of such loans total to Rs. 89,78,831.00 and have been presented under Long term Borrowings under Non-Current Liabilities.
- 6) There are no defaults in the nature of delays in repayment of dues to financial institutions and Banks.
- 7) Sundry Debtors & Creditors, Loans & advances are subject to reconciliation and Confirmation, if any.
- 8) Earning per share :

	<u>2013-14</u>	<u>2014-15</u>
	Amount (Rs.)	Amount (Rs.)
i) Net profit/(Loss) after tax available for equity share holders (Rs.)	116196	224400
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.)	0.04	0.07

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

9) Payment to Auditor	<u>2013-2014</u>	<u>2014-2015</u>
Audit Fees	56180.00	28090.00
Taxation Matters	33708.00	-

- 10) 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	7,27,614.00 (dr) 39,06,350.00 (cr)	37,84,794.00 (cr)
2.	Kanan Agarwal	Unsecured Loans	2,48,400.00 (dr) 10,735.00 (cr)	8,570.00 (cr)
3.	Rishabh Agarwal	Unsecured Loans	19,769.00 (dr) 1,706.00 (cr)	Nil
4.	Sandeep Agarwal	Unsecured Loans	87,961.00 (dr) 31,68,278.00 (cr)	40,26,055.00 (cr)
5.	Sandeep Agarwal (HUF)	Unsecured Loans	12,252.00 (dr) 64,439.00 (cr)	5,94,267.00 (cr)
6.	Sandeep S Gupta	Unsecured Loans	35,31,780.00 (dr) 6,73,175.00 (cr)	2,66,945.00 (cr)
7.	Sanjeev Agarwal	Unsecured Loans	32,71,654.00 (dr) 1,83,982.00 (cr)	62,888.00 (cr)
8.	Sanjiv Agarwal (HUF)	Unsecured Loans	8,62,960.00 (dr)	Nil
9.	Shilpa Gupta	Unsecured Loans	19,91,437.00 (dr) 3,57,968.00 (cr)	1,86,727.00 (cr)
10.	Surendra Mohan Agarwal HUF	Unsecured Loans	2,72,160.00 (dr)	Nil
11.	Surendra Mohan Agarwal	Unsecured Loans	23,26,871.00 (dr) 3,07,653.00 (cr)	13,691.00 (cr)
12.	Vaibhav Agarwal	Unsecured Loans	9,56,599.00 (dr) 46,440.00 (cr)	34,894.00 (cr)
13.	Bindu Agarwal	Director Remuneration	3,00,000.00(dr) 3,00,000.00(cr)	Nil
14.	Rajvardhan Agencies Pvt. Ltd.	Purchases / Sales, receipt / payments	59,97,803.00 (dr) 33,33,164.00 (cr)	42,79,314.00 (dr)
15.	S P Industries	Rent	1,20,000.00 (dr)	Nil
16.	Shree Radha Industries	Rent	50,000.00(dr)	Nil
17.	Shree Radha Udyog	Rent	70,000.00(dr)	Nil
18.	Shree Barsana Wires	Purchases / Sales, receipt / payments	16,10,000.00 (dr) 76,55,000.00 (cr)	1,48,82,068.00(cr)
19.	Shree Radha Industries	Purchases / Sales, receipt / payments	27,52,747.00 (dr) 51,54,891.00 (cr)	6,75,084.00 (cr)
20.	Shree Radha Udyog	Purchases / Sales, receipt / payments	2,06,000.00 (dr) 4,06,000.00 (cr)	2,00,000.00 (cr)
21.	S P Industries	Purchases / Sales, receipt / payments	25,66,313.00 (dr) 16,49,505.00 (cr)	9,16,808.00 (dr)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Twenty Eighth Annual General Meeting of Members of Rakan Steels Limited will be held on Wednesday, 30Th Day of September, 2015 at 11.00 am at the Corporate Office of the Company at Top Floor, Anand Palace, 10/499 Allen Ganj, Kanpur – 208 002 to transact the following businesses.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited financial statements (including consolidated Audited Financial Statements) of the Company for the year ended on 31st March 2015 including the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Sandeep Agarwal who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Auditors of the Company and if thought fit, to pass, with or without modification/s, the following resolution as on ordinary resolution.

“RESOLVED THAT pursuant to the first proviso to Section 139(1) of the Companies Act, 2013, read with the first proviso to Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Vishal Maheshwari & Co., Chartered Accountants (Firm Registration No. 007952C), who was appointed as the auditors of the Company till the conclusion of the ensuing Annual General Meeting of the Company and whose office was subject to ratification at this annual general meeting be and is hereby ratified by the shareholders of the Company.”

SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modification/s, the following resolution as on ordinary resolution

“RESOLVED THAT pursuant to provision of Section 197 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and applicable provisions of Sections, consent of the members of the Company be and is hereby accorded for payment of a monthly remuneration of Rs. 50,000 (Fifty thousand only) per month all inclusive to Mrs. Bindu Agarwal (DIN: 01578595) Managing Director of the Company.”

“RESOLVED FURTHER THAT the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of the Directors in such manner as may be permissible in accordance with the provisions of the Companies Act, 2013 and Schedule V as may be agreed to by and between the Board of Directors, without any further reference to the shareholders in general meeting.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the tenure of service of Mrs. Bindu Agarwal (DIN: 01578595) as Managing Director of the Company, the payment of salary, shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution."

"RESOLVED FURTHER THAT as the Managing Director of the Company, Mrs. Bindu Agarwal shall, subject to the supervision, control and directions of the Board of Directors of the Company, exercise substantial powers of management and manage the business and affairs of the Company.

5. To consider and if thought fit, to pass, with or without modification/s, the following resolution as on ordinary resolution

"RESOLVED THAT pursuant to provisions of Sections , 197(1), and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) read with Schedule V to the said Act, and applicable provisions of Sections, consent of the members of the Company be and is hereby accorded for payment of a monthly remuneration of Rs. 50,000 (Fifty thousand only) per month all inclusive.

"RESOLVED FURTHER THAT the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of the Managing Director in such manner as may be permissible in accordance with the provisions of the Companies Act, 2013 and Schedule V as may be agreed to by and between the Board of Directors and Mr. Sandeep Agarwal, without any further reference to the shareholders in general meeting .

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits during the tenure of service of Mr. Sandeep Agarwal as Director of the Company, the payment of salary, shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT any of the Directors of the Company be and are hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution."

Date: 13-08-2015

Place: Kanpur

By the order of the Board
For Rakan Steels Limited

Sd/-
Bindu Agarwal
(Managing Director)
DIN: 05178595

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The Proxy Form should be lodged with the Company at the Registered Office at least 48 hours before the time of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other shareholder.
2. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. The Register of Members and Share Transfer Books will remain closed from **September 23rd to September 30th 2015** (both days inclusive) for the purpose of AGM.
5. Shareholders are requested to promptly notify any changes in their address to the Company's Registrar and Share Transfer Agents, Skyline Financial Services Private Limited.
6. Members who have not registered their e-mail id addresses so far are requested to register their e-mail address in case of physical holding with the Company and in case of demat holding with the Depository Participant.
7. Electronic copy of the notice of the 28th Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent to all the members whose e-mail address are registered with the Company/Depository Participant for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the notice of the 28th Annual General Meeting of the Company *inter alia* indicating the e-voting procedure along with the attendance slip and proxy form is being sent in the permitted mode.
8. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during office hours on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. up to the date of the 28th Annual General Meeting of the Company.
9. Members are requested to bring their copy of Annual Report to the Meeting.
10. Members desirous of obtaining any information concerning accounts of the Company are requested to address their questions to the Company Secretary, so as to reach at least 7 days before the date of meeting, to enable the information required to be made available at the Meeting, to the extent possible.

11. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed form SH-13 with the Company's Registrar and Transfer Agent. In respect of shares held in demat / electronic form, the nomination form may be filed with the respective Depository Participant.
12. Corporate Members are requested to send to the Company, a duly certified copy of the Board resolution/Power of Attorney, authorising their representatives to attend and vote at the Annual General Meeting.
13. In case a Member receives physical copy the Notice of the 28th AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting Physical Copy.
14. **Voting through electronic means**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company should provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. In reference to this the Company is in the process of getting itself registered with NSDL. If the Company will get itself registered before the Annual General Meeting the Company shall in the due course provide the facility of E Voting to its shareholders by giving due notice to its shareholders and posting this fact on the Website of the Company.
 - II. The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cutoff date of **23rd September 2015**.
 - III. A copy of this notice has been placed on the web site of the Company and Mr. Ashok Kumar Maheshwari (Certificate of Practice no 073968) has been appointed as scrutinizer to scrutinize the voting process in a fair and transparent manner.

The Results shall be declared on or after the 28th Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website **www.rakansteels.co.in** and on the website of NSDL within two(2) days of passing of the resolutions (if the Company gets itself registered with the NSDL before the AGM) at the 28th Annual General Meeting of the Company on **30th September, 2015** and communicated to the Stock Exchanges where the Shares of the Company are listed.

EXPLANATORY STATEMENT

The following Explanatory Statements, as required under Section 102 of the Companies Act, 2013, set out all material facts relating to the business under Item Nos. 4 and 5 of the accompanying Notice dated 13-08-2015.

Item – 4

The total managerial remuneration payable by a public company to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year. Further it is provided that except with the approval of the company in general meeting, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together.

Therefore the above resolution is placed before the shareholders in order to take their approval for payment of Remuneration to Mrs. Bindu Agarwal above the Limit of 5 percent of the net profits of the Company as provided in the act.

All other terms and conditions of appointment apart from remuneration of Mrs. Bindu Agarwal as Executive Director of the Company will remain unchanged.

Except Mrs. Bindu Agarwal and Mr. Sandeep Agarwal none of the other Directors and other Key Managerial Personnel or their respective relatives is concerned or interested financially or otherwise in this Resolution.

Item – 6

The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of of the net profits of that company for that financial year. Further it is provided that except with the approval of the company in general meeting, the remuneration payable to any one managing director; or whole-time director or manager shall not exceed five per cent. of the net profits of the company and if there is more than one such director remuneration shall not exceed ten per cent. of the net profits to all such directors and manager taken together.

Therefore the above resolution is placed before the shareholders in order to take their approval for payment of Remuneration to Mr. Sandeep Agarwal above the Limit of 5 percent of the net profits of the Company as provided in the act.

All other terms and conditions of appointment apart from remuneration of Mr. Sandeep Agarwal as Executive Director of the Company will remain unchanged.

Except Mrs. Bindu Agarwal and Mr. Sandeep Agarwal none of the other Directors and other Key Managerial Personnel or their respective relatives is concerned or interested financially or otherwise in this Resolution.

Date: 13-08-2015
Place: Kanpur

By the order of the Board
For Rakan Steels Limited
Sd/-
Bindu Agarwal
(Managing Director)
DIN: 05178595

Annexure to the Item No.-2 of the Notice

Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting.

(In pursuance of clause 52 of Listing Agreement of SME).

Name of the Director	Mr. Sandeep Agarwal
Date of Birth	09-12-1966
Nationality	Indian
Date of appointment on the Board	08-08-2014
Qualifications	Under Graduate
Expertise	In Business
No. of Shares held in the company	81315 Shares
List of the directorship held in other Company	Nil
Chairman/Member in the committees of the board of other companies in which he/she is director	Chairman Nil Member Nil
Directorships includes Directorship of other Indian Public Companies and Committee memberships includes only Audit Committee and Stake holders' Relationship Committee of Public Limited Company (whether Listed or not).	

RAKAN STEELS LIMITED

CIN: L27320UP1985PLC007582

R/O: 77/39, Coolie Bazar, Kanpur – 208 001.

Corporate Office: Top Floor, Anand Palace, 10/499 Allen Ganj, Kanpur - 208 002.

E Mail: support@rakansteels.co.in

Ph: Corp Office: 0512-2544026 **Fax:** 0512-2544025 **Web:** www.rakansteels.co.in

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 Annual General Meeting of the Company to be held at its Corporate Office, Top Floor, Anand Palace, 10/499 Allen Ganj, Kanpur – 208 002 on Wednesday, the 30th day of September 2015 at 11:00 A.M.

Member's/ Proxy 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

CIN: L27320UP1985PLC007582

R/O: 77/39, Coolie Bazar, Kanpur – 208 001.

Corporate Office: Top Floor, Anand Palace, 10/499 Allen Ganj, Kanpur - 208 002.

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FORM NO. MGT 11

PROXY FORM

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

Name of the Member

Registered address

E-mail Id:

Folio No/

DP ID- Client ID

I/We, being the member of _____ Shares of above mentioned company hereby appoint:

Name

Address

E-mail Id:

Signature

Or failing him / her

Name

Address

E-mail Id:

Signature

Or failing him / her

Name

Address

E-mail Id:

Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Wednesday, the 30th day of September 2015 at 11:00 A.M at the corporate office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional <small>refer note 3 below</small>	
		For	Against
Ordinary Business			
1	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on March 31, 2015.		
2.	Reappoint Shri Sandeep Agarwal, (Din: 02957566) as Director who retires by rotation.		
3.	Appointment of M/s Vishal Maheshwari & Co. (Firm Registration No. 007952C) as Statutory Auditors of the Company.		
Special Business			
4.	Payment of Remuneration to Mrs. Bindu Agarwal (Din: 01578595) as Managing Director exceeding 5 percent of the net profits of the Company.		
5.	Payment of Remuneration to Mr. Sandeep Agarwal (Din: 02957566) as Director exceeding 5 percent of the net profits of the Company.		

Signed this day of 2015.

Signature of the Member

Signature of the Proxy Holder(s)

AFFIX REVENUE STAMP NOT LESS THAN Re 1.00

Note:-

1. This form of proxy 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 commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including detail of member(s) in above box before submission.