



RAKAN STEELS LIMITED
(CIN: L27320UP1985PLC007582)

29th ANNUAL REPORT 2015-2016

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CORPORATE INFORMATION**BOARD OF DIRECTORS**

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

CHIEF FINANCIAL OFFICER

Mrs. Aditi Agarwal

C.S & COMPLIANCE OFFICER

Mrs. Madhu Bansal

BANKERSState Bank of India
H.D.F.C Bank Limited**AUDITORS**M/s Vishal Maheshwari & Company
Chartered Accountants
Anand Tower, 117/K/3
Sarvodaya Nagar
Kanpur-208025**SECRETARIAL AUDITOR**M/s R.K. & Associates
Ground Floor, Laxmi Ganga
Apartment, Ganga Nagar
Housing Society, Lakhanpur
Kanpur-208015**REGISTRAR AND SHARE TRANSFER AGENT**M/S Skyline Financial Services Private Limited
D-153-A, 1st floor, Okhala Industrial Area,
Phase I, New Delhi- 110020
Email: admin@skylinerta.com**REGISTERED OFFICE**77/39, Coolie Bazar,
Kanpur-208001**CORPORATE OFFICE**Top Floor, Anand Palace,
10/499, Allen Ganj,
Kanpur-208002**E-MAIL I.D. & CONTACT NO. FOR INVESTORS****E- Mail ID:** support@rakansteels.co.in**Website:** www.rakansteels.co.in**Tele no.:** 0512-2544026, 09598668666 **Fax No.:** 0512-2544025

MANAGEMENT DISCUSSION & ANALYSIS

ECONOMIC CONDITION

India's GDP grew by 7.6% in FY 2015-2016, making it one of the world's fastest growing major economies. Interestingly, the GDP grew at 7.9% in the fourth quarter which is indeed a commendable job. The policy initiatives of the government, low interest rates, declining fiscal deficit and moderating inflation have helped the Indian Economy to stay on a sustainable growth path. The growth rate is expected to touch 8% in FY 2016-2017 on the back of a favorable monsoon. The Government's Make in India campaign is helping India emerge as a hub for global manufacturing giants.

BUSINESS OVERVIEW

The Company continues to believe in the potential of Indian financial Market and rising income level. We believe that there are ample of opportunities which are required to be unbound for growth and also prepare ourselves to meet all the future challenges.

PERFORMANCE

During the financial year 2015-2016 Company earned profit of 2.41 (Rs in '00000) as compared to last financial years' profit of 2.24 (Rs in '00000). There is a marginal change in the profit due to the reduction in expenses of the Company when compared with previous year however, the Management is sure about the improvements in the near future.

OUTLOOK

Though, the scenario for emerging markets and developing economies is not uniform. The Company expects that the market for iron and steel products is expected to grow and new avenues and arenas can be discovered and explored. We are focusing on customer relation to have a better understanding of the economic scene. The position of the company is stable and progressive. This strategic approach will enable the Company to deliver increasingly stable returns for its stakeholders, irrespective of monetary cycles.

RISK AND CONCERNS

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. The Company is convinced with the fact that where there is risk there are even better returns and therefore, it is inquisitive to learn new concepts and diversify in the already existing arenas for a better future.

INTERNAL CONTROL SYSTEM

The Company has employed appropriate internal control system comprising of various monitoring techniques. Audit committee of the Company oversees the internal audit function and the internal control system. Additionally, the Internal Financial Control and reporting process ensures robust financial monitoring and compliances.

HUMAN RESOURCE CAPITAL

Company is committed in sharing value with its employees and deals with them as partners of the Company. We employ best talent and train them to meet all challenges so that growth is organic

and contributed by everyone. The Company believes that its success depends on the high level of skills and professionalism of its people and makes continuous endeavors to improve their efficiency through training and reward programs. The focus during last year was primarily on implementing sustainable leadership and succession planning strategies for building a collaborative work culture.

DISCLAIMER

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

REPORT ON CORPORATE GOVERNANCE

Sustained strong performance by any company is directly linked to an organization's philosophy and levels of Corporate Governance. Keeping this important reality in view, your Company has always placed major thrust on managing its affairs with diligence, transparency, responsibility and accountability. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics. These main drivers, together with the Company's ongoing contributions to the local communities through meaningful "Corporate Social Responsibility" initiatives will play a pivotal role in fulfilling our renewed vision to be the most sustainable and competitive company in our industry and our mission to create value for all our stakeholders. The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees & communities surrounding our plants, transparency in decision making process, fair & ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders.

The Company has complied with the requirements of Corporate Governance as laid down under the applicable Clause 49 of the Listing Agreements with the Stock Exchanges. The Listing Agreement was terminated and replaced by the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 with effect from December 1, 2015 under which the Corporate Governance provisions were specified in Chapter IV and the Company has complied with its requirements as well.

1. Board of Directors

(a) Composition

The Board of Directors Comprises of six directors, one of them is Managing Director. The office of Managing Director is held by Mr. Kanan Agarwal w.e.f February 1, 2016.

(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
Mr. Kanan Agarwal	07318672	Managing Director- ED	3	No
Mrs. Bindu Agarwal	01578595	ED	9	Yes
Mr. Sandeep Agarwal	02957566	ED	9	Yes

Mr. RamjiLal Sharma	01569313	NED-I	9	Yes
Mr. Uma Shanker Dixit	02145858	NED-I	9	Yes
Mr. Mahendra Bahadur Singh	03550534	NED-I	9	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
Mr. Kanan Agarwal	Nil	00	00
Mrs. Bindu Agarwal	Nil	00	00
Mr. Sandeep Agarwal	Nil	00	00
Mr. Ramji Lal Sharma	Nil	00	00
Mr. Uma Shanker Dixit	Nil	00	00
Mr. Mahendra Bahadur Singh	Nil	00	00

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

Sr. No.	Date
01	10.04.2015
02	30.05.2015
03	15.07.2015
04	13.08.2015
05	14.11.2015
06	04.01.2016
07	01.02.2016
08	14.02.2016
09	24.03.2016

DISCLOSURES REGARDING APPOINTMENT/RE-APPOINTMENT

As per section 152(6) of the Companies Act, 2013, two-third of the Directors should retire by rotation. One-third of these Directors are required to retire every year and if eligible they can offer themselves for re-appointment. Accordingly, Mrs. Bindu Agarwal, Director, is liable to retire by rotation and offers herself for re-appointment subject to approval of members in general meeting.

2. COMMITTEES OF THE BOARD

AUDIT COMMITTEE

i. Terms of Reference

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement, the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

ii. Composition, Name of Members and Chairperson

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

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

Sr. No.	Date
1.	30.05.2015
2.	13.08.2015
3.	14.11.2015
4.	14.02.2016

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

NOMINATION & REMUNERATION COMMITTEE

i. Terms of Reference:

The terms of reference of this Committee are wide enough covering the matters specified under the Listing Agreement, the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

ii. Composition, Name of Members and Chairperson

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

iii. Details of Nomination and Remuneration Committee Meetings held during the year under review:

Sr. No.	Date
1.	15.07.2015
2.	04.01.2016
3.	01.02.2016

iv. 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.

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, Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

ii. Composition, Name of Members and Chairperson

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

The meeting of the Committee was held on 07.12.2015 which was attended by all the members.

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

Note-2: No complaint was pending against the Company during the year.

RISK MANAGEMENT COMMITTEE

i. Composition, Name of Members and Chairperson

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

Note: With the advent of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the requirement of keeping the Risk Management Committee has been dispensed away with. The Risk Management Committee has to be maintained by top 100 Listed Entities and the Company does come under that category.

3. DETAILS OF REMUNERATION TO THE DIRECTORS:

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	450000	-	-	-
Mr. Kanan Agarwal	150000	-	-	-

4. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
2012-13	28.09.2013	10.00 AM	77/39, Coolie Bazar, Kanpur – 208001
2013-14	29.09.2014	11.00 AM	77/39, Coolie Bazar, Kanpur –208001
2014-15	30.09.2015	11:00 AM	Top Floor, Anand Palace, 10/499, Allen Ganj, Kanpur-208002

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

Financial Year	Special Resolution
2012-13	No
2013-14	No
2014-15	No

(iii) **POSTAL BALLOT**

The Company conducted a Postal Ballot Vide Notice dated January 4, 2016 for taking approval of Shareholders for Amendment/Alteration in the Main Object Clause of the Company for which a Special Resolution was passed. The results for the same were taken on record at meeting duly convened on February 13, 2016. Mr. Ashok Kumar Maheshwari who was appointed as the Scrutinizer for the Meeting had submitted his report for concluding the voting process through Postal Ballot in accordance with law and in a fair and transparent manner.

Summary of the Voting results are given below:

<u>RESOLUTION</u>	<u>VOTE COUNT (NO.OF SHARES)</u>		<u>PERCENTAGE</u>	
	FOR	AGAINST	FOR	AGAINST
<u>Resolution No. 1</u>				
Alteration /Amendment in the Main Object Clause of the Company.	16	NIL	100%	NIL

5. STATUS OF ADOPTION OF MANDATORY REQUIREMENTS OF CLAUSE 49 OF ERSTWHILE LISTING AGREEMENT AND SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS 2015

The Company has complied with the mandatory requirements of Clause 49 of the Erstwhile Listing Agreement and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

6. 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. The Company has timely published its quarterly results in the newspapers.

7. GENERAL SHAREHOLDER INFORMATION

AGM : Date, Time & Venue	30 th September, 2016 (11.00 am) at 77/39 Coolie Bazar, Kanpur-208001
Financial year	The Financial year under the review covers the following period 01-04-2015 - 31-03-2016
Date of Book Closure	23-09-2016 to 30-09-2016
Listing on Stock Exchange	Ahemdabad Stock Exchange Limited. Kamdhenu Complex, 120 Feet Ring Rd, Panjara Pol, Ambawadi, Ahemdabad, Gujarat-380015 (Application pending in MCX Exchange for Listing of Shares.)
Stock Code	ISIN: INE773R01018
Registrar and Transfer Agent	Skyline Financial Services Pvt. Ltd. D-153-A, 1 st Floor, Okhala Industrial Area, Phase-I, New Delhi-110020
Share Transfer System	All the transfers received are processed by the Registrar and Transfer Agent.
Distribution of Shareholding and Shareholding Pattern as on 31.03.2016	Please see ' Annexure B ' to the Director's Report
Dematerialization of Shares and Liquidity	22.06% of the paid capital are dematerialized as on March 31, 2016
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

8. PAPER LESS COMPLIANCE OF CORPORATE GOVERNANCE

Dear Shareholder, This is to inform you that the Ministry of Corporate Affairs (MCA) has taken a Green Initiative and Companies Act, 2013 has also allowed the Corporates accordingly to send their Notices, Annual Reports, etc. in electronic form. Accordingly, your Company wishes to take part in the said Green Initiative and make its contribution towards providing green atmosphere by reducing the use of paper and in turn saving the cutting of trees. Accordingly, you are requested to please register/update your e-mail id with your Depository Participant (in case of Demat Holding)/Company or its Registrar (in case of physical holding) to enable the Company to send the above through e-mail instead of physical form. Please note that as a Member of the Company, you are always entitled to request and receive, free of cost, a copy of Annual Report of the Company and other documents in physical form. We look forward to your continued support to this unique initiative by the MCA and become a part as a savior of the green initiative.

9. CORPORATE SOCIAL RESPONSIBILITY

The Company recognizes the responsibility that it holds towards the Society. Being a Corporate Citizen, it is truly making all possible endeavors for the upliftment of the weaker sections of the Society. Although the provisions of Section 135 of the Companies Act, 2013, are not applicable on the Company, still it realizes the fact that whatever resources the Society provides to a Company, it automatically attracts an obligation on the part of the Company to pay back the never ending supplies and support that it receives from the citizens of the Society. The Company has also taken measures for successful implementation of "Green Initiative" in the Corporate Governance for allowing paperless compliances as per the Circular issued by the hon'ble Ministry of Corporate Affairs.

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors take pleasure in presenting the Annual Report together with Audited statement on the business and operations of the company for the year ended on 31st March, 2016.

FINANCIAL RESULTS:

	2015-2016 (Rs. in '00000)	2014-2015 (Rs. in '00000)
Income	764.95	332.89
Profit/(Loss) before interest & dep.	17.51	21.17
Less:		
Interest	10.35	13.86
Depreciation & Amortization	4.79	6.16
Profit/(Loss) Before Tax	2.37	1.15
Provision for Taxation	0.45	-
Deferred Tax	(0.49)	(1.08)
Adjustment related to Previous Year	-	-
Net Profit	2.41	2.24

SUMMARY OF OPERATIONS:

During the year, the Income of the Company amounted to Rs. 764.95 (in '00000) in comparison to the Income of the last year which amounted to Rs.332.90 (in '00000). Your Company earned a profit during the year amounted to Rs. 2.41 (in '00000) in comparison to last year's profit which amounted to Rs. 2.24 (in '00000).

AUDITORS:

M/s Vishal Maheshwari & Company, Chartered Accountant (FRN: 007952C) conducted the audit of the Company for the financial year 2015-2016.

In the ensuing Annual General Meeting the Appointment of M/s Vishal Maheshwari & Company, Chartered Accountant (FRN: 007952C), Auditor is proposed to be appointed by the shareholders, Hence the resolution for appointment is placed before the shareholders for the purpose of appointment of Auditor as an Ordinary Resolution.

DIVIDEND:

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

FIXED DEPOSIT:

Your Company has not accepted any deposit prescribed u/s 73 of the Companies Act, 2013 during the Financial Year.

CHANGE IN MANAGEMENT & TAKEOVER:

During the Financial Year there was no change in management and take over in the Company.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director. The Internal Audit Department monitors and evaluates the efficiency and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

NUMBER OF EMPLOYEES & DISCLOSURE REGARDING SECTION 197 OF THE COMPANIES ACT, 2013

There are a total of 7 Employees registered in the Company's muster roll. The particulars as required under Section 197 read with Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are furnished as none of the employee is drawing remuneration of Rs. 500,000/- or more per month if employed for a part of the year or Rs.60,00,000/- if employed throughout the period.

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS:

As stipulated in section 134(5) of Companies Act 2013, The Directors of the Company would like to state:

- i) In the preparation of the annual accounts, 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 were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under the review.
- 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 on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

INDUSTRIAL RELATIONS:

During the period under review the relation between employee and Management remained cordial. All the problems of the employees were patiently heard by the Management and proper solutions pertaining to their problems were provided by the management.

DIRECTORS:

The Board of the Company is duly constituted. None of the Directors are Disqualified u/s 164 of the Companies Act, 2013. All Independent Directors have given their declaration as per Section 134 read along with Section 149 of the Companies Act, 2013.

Mr. Kanan Agarwal was appointed as an Additional Director of the Company at a duly convened Board Meeting held on January 4, 2016. On February 1, 2016, he was appointed as the Managing Director of the Company. Moreover, he is being regularized as Executive Director of the Company.

In the ensuing Annual General Meeting of the Company Mrs. Bindu Agarwal being Executive Director of the Company whose office is subject to retire by rotation will retire by rotation due to the provisions of Section 149 & 152 of the Companies Act, 2013.

AUDITORS REPORT:

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

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company.

CORPORATE GOVERNANCES:

As the Company is required to comply with the clause 17 to 27 as applicable of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 confirming the compliance of Corporate Governance forms part of the Annual Report.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Management has carried out the annual performance evaluation of the working of its Audit, Appointment and Remuneration Committees. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board functioning such as adequacy of the composition of the Board and its Committees, Board Culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

LISTING OF SHARES

The Company's shares are listed with the Ahmedabad Stock Exchange which is vide Circular received from SEBI is inoperative presently. Moreover, the Company's application is pending in MCX Exchange for Listing of Shares.

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

In terms of clause (m) of sub-section (3) of section 134 of the Companies Act, 2013 and the rules framed there under, the particulars relating to conservation of energy, technology absorption and foreign earnings and outgo is given below:

a) CONSERVATION OF ENERGY:

The consumption of electricity during the year is minimal. The management is taking conscious efforts to conserve the energy.

b) TECHNOLOGY ABSORPTION:

The Company has no activity relating to technology absorption.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO: Nil

BUSINESS RISK MANAGEMENT

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has formed an internal committee in order to evaluate the risk factor in the concern. The Board carries out a brief synopsis of the key elements that threatens the existence of the Company. The internal policy related to risk management ensures growth and continuity of business. However, SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 exempts your Company to mandatorily form the Risk Management Committee.

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 behavior 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.

WHISTLE BLOWER POLICY

In order to comply with the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014. A vigil mechanism was framed by the Company through its Board of Directors which shall be headed by the Chairman of the Audit Committee who shall be known as the Vigilance Officer under the 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. The Code has been posted on the Company's website www.rakansteels.co.in.

PREVENTION OF INSIDER TRADING

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.

RELATED PARTY TRANSACTIONS:

None of the transactions with related parties falls under the scope of section 188(1) of the Act. Information on transactions with related parties pursuant to section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure** in Form AOC-2 and the same forms part of this 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.

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: No Such Transactions taken place during the year under review.

- | | |
|--|------|
| (a) Name(s) of the related party and nature of relationship: | - NA |
| (b) Nature of contracts/arrangements/transactions: | - NA |
| (c) Duration of the contracts / arrangements/transactions: | - NA |
| (d) Salient terms of the contracts or arrangements or transactions including the value, if any: | - NA |
| (e) Justification for entering into such contracts or arrangements or transactions | - NA |
| (f) Date(s) of approval by the Board: | - NA |
| (g) Amount paid as advances, if any: | - NA |
| (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: | - NA |

2. Details of material contracts or arrangement or transactions at arm's length basis:

ANNEXURE-RELATED PARTY DISCLOSURES (AS-18)

<u>S.No.</u>	<u>Name of Related Party and Nature of Relationship</u>	<u>Nature of Transaction</u>	<u>Transaction Value</u>	<u>Closing Balance</u>
1.	Bindu Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	13,00,000.00 13,46,000.00 4,17,223.00	41,14,295.00 (Cr)
2.	Kanan Agarwal (Director, Key Managerial Personnel)	Unsecured Loans	NIL	8,569.93 (Cr)
3.	Sandeep Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	10,00,000.00 5,78,000.00 4,77,982.00	48,78,239.00 (Cr)
4.	Sandeep Agarwal (HUF) (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	71507.00	6,58,623.00 (Cr)
5.	Sandeep S Gupta (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	32,121.00	2,95,854.00 (Cr)
6.	Sanjeev Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	7567.00	69,698.00 (Cr)
7.	Shilpa Gupta (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	22,469.00	2,06,949.00 (Cr)
8.	Surendra Mohan Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	1,647.00	15,338.00 (Cr)
9.	Vaibhav Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	4,199.00	39,093.00 (Cr)
10.	Bindu Agarwal (Director, Key Managerial Personnel)	Director Remuneration	4,50,000.00	2,50,000 (Cr)
11.	Sandeep Agarwal (Director, Key Managerial Personnel)	Director Remuneration	3,00,000.00	2,48,000(Cr)
12.	Kanan Agarwal (Director, Key Managerial Personnel)	Director Remuneration	1,50,000.00	75,000.00(Cr)
13.	Rajvardhan Agencies Pvt. Ltd.	Sale Purchase	1,42,14,707.00 10,90,500.00	1,07,74,431.00 (Cr)

14.	S P Industries	Sale Rent	41,79,954.00 1,80,000.00	23,30,102.00 (Dr)
15.	Shree Radha Industries			8,15,084.00 (Cr)
16.	Shree Radha Udyog	Sale Rent	7,08,801.00 1,80,000.00	12,01,999.00 (Cr)

For Rakan Steels Limited

**SD/-
Kanan Agarwal
(Managing Director)
Din: 07318672**

DISCLOSURE UNDER SEXUAL HARASSMENT POLICY FOR WOMEN

Your Company has already framed the Sexual Harassment Policy regarding women and female employees of the Company. During the year under review, there were no complaints from any employee regarding the said issue.

SECRETARIAL AUDIT REPORT

As required under Section 204(1) of the Companies Act, 2013 the Company has obtained a Secretarial Audit Report. M/s R.K & Associates, Secretarial Auditors of the Company who has given his Secretarial Audit Report to the Company in the prescribed format. The format is attached as "**Annexure A**" to this Report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure B**"

ACKNOWLEDGEMENTS:

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

By the Order and on behalf of the Board of Directors
For RAKAN STEELS LIMITED

SD/-

SD/-

**DATE: 13/08/2016
PLACE: KANPUR**

**KANAN AGARWAL
(MANAGING DIRECTOR)
DIN: 07318672**

**SANDEEP AGARWAL
(DIRECTOR)
DIN: 02957566**

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

As provided under Clause 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, all the Board Members and Senior Managerial Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2016.

DATE: 13/08/2016

PLACE: KANPUR

For RAKAN STEELS LIMITED

**SD/-
KANAN AGARWAL
(MANAGING DIRECTOR)
DIN: 07318672**

STATUTORY AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Rakan Steels Limited

We have examined the conditions of Corporate Governance as complied by Rakan Steels Limited for the year ended on 31st March, 2016 as stipulated in Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us and representations made by the management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

Place: Kanpur
Date: 13/08/2016

For Vishal Maheshwari & Co.

SD/-
(Partner Vishal Maheshwari)
FRN: 007952C
M.N- 076685

CEO/CFO CERTIFICATION

I, Kanan Agarwal, Managing Director of Rakan Steels Limited, hereby certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 and that to the best of our knowledge and belief.
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by Rakan Steels Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Rakan Steels Limited and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We 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 the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee.
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant changes in Accounting Policies during the year and the same have been disclosed in the notes to the financial statements; and
- (e) We certify that there have been no instances of significant fraud of which we have become aware and the involvement therein of management or any employee having significant role in the Company's internal control systems.
- (f) We affirm that we have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).

SD/-

Place: Kanpur
Date: 13/08/2016

KANAN AGARWAL
Managing Director
(DIN: 07318672)

SD/-

ADITI AGARWAL
Chief Financial Officer
(PAN: ALZPG8409K)

ANNEXURE "A" TO THE DIRECTOR'S REPORT

Form no. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Rakan Steels Limited
77/39 Coolie Bazar
Kanpur-208001

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, 2016 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, 2016 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;(NA)
- (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 (Prohibition of Insider Trading) Regulations, 1992;
 - (b) 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);

However, the following are not applicable to the Company during the reporting period:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the Audit period);
- (c) 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);
- (d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (not applicable to the company during the Audit period);
- (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the Audit period)and
- (f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the Audit period);

(vi) Other Acts- As per the information provided by the Company, its officers and authorized representative, there is no such other act/s applicable specifically to the Company.

*NA signifies- not applicable during the reporting period.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Secretarial Standards 1 and 2 are effective from July, 2015 and so the Compliances are done accordingly).
- (ii) The Listing Agreements entered into by the Company with Ahmedabad Stock Exchange Limited.
- (iii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. (Effective from December 1, 2015.)

To the best of my Understanding, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that based on the information provided by the Company, its officers and authorized representatives during the conduct of the Audit and also on the review of the Quarterly Compliance Report by respective Department Heads/Company Secretary/CEO taken on record by the Board of Directors of the Company in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and to ensure the compliance with applicable general laws such as labour laws and environmental laws.

I 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.

I further report that the compliance by the Company of the applicable financial laws like direct and indirect tax laws has not been reviewed in this Audit since, the same have been subject to review by statutory financial auditor and other designated professionals.

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 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,

This report is to be read with our letter of even date which is annexed as "**Annexure A**" and forms an integral part of this report.

Place: Kanpur
Date: 13/08/2016

For R.K & Associates

SD/-
(Prop. Rekha Kejriwal)
(Membership No. FCS 5978)
(C.P. No. 15024)

"ANNEXURE-A" TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Rakan Steels Limited
77/39 Coolie Bazar
Kanpur-208001

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

1. Maintenance of secretarial records 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 contents 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 obtained 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.

Place: Kanpur
Date: 13/08/2016

For R.K & Associates

SD/-
(Prop. Rekha Kejriwal)
(Membership No. FCS 5978)
(C.P. No. 15024)

ANNEXURE "B" TO THE DIRECTOR'S REPORT

EXTRACT OF ANNUAL RETURN

**As on the financial year ended on 31/03/2016
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 - 208001 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	97.11
2	Other Income	2.89

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
--------	---------------------------------	---------	--------------------------------	------------------	--------------------

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	87501	2.70	0	0.00
6.	Sandeep Agarwal	81315	2.51	0	81315	2.51	0	0.00
7.	Surendra Mohan Agarwal	0	0	0	100	0.00	0	0.00
8.	Rajvardhan Agencies Private Limited	268300	8.28	0	268300	8.28	0	0.00
	Total	955415	29.4	0	955466	29.49	0	0

iii) Change in Promoter's Shareholding (please specify, if there is no change)

SI 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	87501	2.70	0	0.00
6.	Sandeep Agarwal	81315	2.51	0	81315	2.51	0	0.00
7.	Surendra Mohan Agarwal	0	0	0	100	0.00	0	0.00
8.	Rajvardhan Agencies Private Limited	268300	8.28	0	268300	8.28	0	0.00
	Total	955415	29.4	0	955466	29.49	0	0

iv) 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	1226600	0	--	--	--	--
4	3A Capital Services Ltd.	--	--	--	126600	--	126600	3.91	Shares were acquired
5	Vasundhara Capital and Securities Ltd.	105500	3.26	0	13800	--	119300	3.68	Shares were acquired
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	--

v) 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	No. of shares	% of total shares

1.	Mrs. Bindu Agarwal	Director	81950	2.53	81950	2.53
2.	Mr. Sandeep Agarwal	Director	81315	2.51	81315	2.51

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				
i) Principal Amount	601303	8978831	-	9580134
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ ii + iii)	601303	8978831	-	9580134
Change in Indebtedness during the financial year				
· Addition	-	1307828	-	1307828
· Reduction	323042	-	-	323042
Net Change	323042	1307828	-	
Indebtedness at the end of the financial year	278261	10286659	-	10564920
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ ii+ iii)	278261	10286659	-	10564920

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 Mr. Kanan Agarwal Mr. Sandeep Agarwal	
1	Gross salary		

	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25000/- per month for 6 months 50000/- per month for 6 months 50000/- per month for 3 months 50000/- per month for 6 months	450000 150000 300000
	(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)	25000/- per month for 6 months 50000/- per month for 6 months 50000/- per month for 3 months 50000/- per month for 6 months	450000 150000 300000

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	-	-	-	-	-

C. 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	-	144000	300000	444000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	12000/- per month	25000/- per month	-
	(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	-	144000	300000	444000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**NONE**

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 2016, 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 there under.

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, 2016, 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, 2016 ("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, 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 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 from being appointed as a director in terms of sub section (2) of Section 164 of the Companies Act, 2013.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - 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

VISHAL MAHESHWARI
Partner
M. No: 076685

Place: Kanpur
Date: 30/05/2016

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- i. 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.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management. In our opinion frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification as compared to the book records.
- iii. 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, Limited Liability Partnership 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, 2016, are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to loans and investments made.
- v. 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, 2016, are not applicable to the Company.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013 in respect of business activities of the Company.
- vii. 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 31.03.2016 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.

- viii. 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 does not have any loans or borrowings from Government or debenture holders during the year.
- ix. The Company did not raise any money by way of Initial Public offer or further Public Offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of

India Act 1934.

Place: Kanpur
Date: 30/05/2016

For VISHAL MAHESHWARI & COMPANY
Chartered Accountants
FRN: 007952C

VISHAL MAHESHWARI
Partner
M. No: 076685

Annexure-B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of **M/s Rakan Steels Limited** ("the Company") as of 31 March, 2016 in the conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

company's internal financial control system over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that the receipts and expenditures of the company are being made only in accordance with authorizations of the management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Kanpur

Date: 30.05.2016

For VISHAL MAHESHWARI & COMPANY
Chartered Accountants
FR No.:007952C

Vishal Maheshwari
Partner
Membership No.: 076685

BALANCE SHEET AS ON 31.03.2016

Particulars	Note No	2015-16	2014-15
EQUITY & LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	32400000	32400000
(b) Reserve & Surplus	3	10362303	10097318
(c) Money Received against share warrants		0	0
(2) Share application money pending allotment		0	0
(3) Non- Current Liabilities			
(a) long Term borrowings	4	10286659	8978831
(b) Deferred tax liabilities(net)	4	0	0
(c) Other long term liabilities	4	0	0
(d) Long term provisions	5	0	22038
(4) Current liabilities			
(a) Short term borrowings	4	278261	601303
(b) Trade payable	4	25369369	24350413
(c) Other current Liabilities	4	1186793	241137
(d) Short Term provisions	5	45328	0
TOTAL		79928713	76691040
II. ASSETS			
(1) Non Current Assets			
(a) Fixed Assets			
(i) Tangible assets	6	1407041	1809133
(ii) Intangible assets	6	0	0
(iii) Capital work in progress		5459640	0
(iv) Intangible assets under development		0	0
(b) Non- current investments	7	0	0
(c) Deferred tax assets (net)		136577	87466
(d) Long term loans & advances	12	173667	173667
(e) Other non-current assets	12	0	0
(2). Current assets			
(a) Current investments	8	0	0
(b) Inventories	9	61060270	64080355
(c) Trade Receivables	11	10486914	4168314
(d) Cash & cash equivalents	10	860047	468828
(e) Short term loans and advances	12	344557	5903278
(f) Other current assets	12	0	0
TOTAL		79928713	76691040

Notes to Accounts

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

For VISHAL MAHESHWARI & COMPANY
Chartered Accountants
FRN:007952C

For RAKAN STEELS LIMITED

(Vishal Maheshwari)
Partner
M.N.- 076685

Kanan Agarwal
(Managing Director)
DIN: 07318672

Sandeep Agarwal
(Director)
DIN: 02957566

Place: Kanpur
Date : 30.05.2016

Aditi Agarwal
(Chief Financial Officer)

Madhu Bansal
(Company Secretary)

RAKAN STEELS LIMITED
Profit and Loss statement for the year ended 31st March 2016

Particulars	Note No.	2015-16	2014-15
I. Revenue from operations	13	74280891	32599780
II. Other Income	14	2214360	690000
III.Total Revenue(I+II)		76495251	33289780
IV. EXPENSES:			
Cost of material consumed	15	0	0
Purchase of Stock- in-Trade		66715815	26788236
Changes in inventories of finished goods, work in progress and stock-in- Trade		3020085	778164
		0	0
Employee benefit expense	16	472000	266000
Financial Cost	17	1114460	1485998
Depreciation and amortization expense	6	479741	616231
Other Expenses	18	4455226	3239495
IV.Total Expenses		76257327	33174124
V. Profit before exceptional and extraordinary items and tax	(III-IV)	237924	115656
VI. Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	237924	115656
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	237924	115656
X. Tax Expense:			
(1) Current Tax		45328	0
(2) Deferred Tax		-49111	-108744
XI. Profit(Loss) from the period continuing operations	(IX-X)	241707	224400
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)	241707	224400
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period (XV+XVI+XVII)		241707	224400
XIX. Earning per equity share:			
(1) Basic		0.07	0.07
(2) Diluted		0.07	0.07

Notes to Accounts

1. Figures have been rounded off to the nearest rupee

For VISHAL MAHESHWARI & COMPANY
Chartered Accountants
FRN:007952C

Rakan Steels Limited

(Vishal Maheshwari)
Partner
M.N.- 076685

Kanan Agarwal
(Managing Director)
DIN: 07318672

Sandeep Agarwal
(Director)
DIN: 02957566

Place: Kanpur
Date : 30.05.2016

Aditi Agarwal
(Chief Financial Officer)

Madhu Bansal
(Company Secretary)

RAKAN STEELS LIMITED
Cash Flow Statement For The Year Ended 31.03.2016

Particulars	Year Ended 31.03.2016		Year Ended 31.03.2015	
A Cash Flow from Operating Activities				
Profit/(-)Loss for the Year before tax & extraordinary items		237924		115656
<u>Adjustment for:</u>				
Depreciation	479741		616231	
(Increase)/Decrease in Misc. Expenditure	0		0	
Adjustment for previous Years	0		0	
(Profit) & Loss On Sale Of Investment	0		0	
Interest & Financial Charges	1114460	1594201	1485998	2102229
Operating Profit before Working Capital changes		1832125		2217885
<u>Adjustments for:</u>				
(Increase)/Decrease in Loans and Advances	0		-1369973	
(Increase)/Decrease in Trade Recievables	-6318600		-2872560	
(Increase)/Decrease in Inventory	3020085		778164	
(Increase)/Decrease in Current Assets	5608721		0	
Increase/(Decrease) in current Liabilities	1641570		6164557	
Less:-Direct Taxes Paid (Net)	48761	3903015	40328	2659860
Net Cash from Operating Activities		5735140		4877745
B Cash Flow from Investing Activities				
Purchase of fixed asset	-5537289	-5537289	-56160	-56160
Purchase of investment	0	0	0	0
Sale Of Investment	0	0	0	0
Profit/(loss) on sale of investment	0	0	0	0
Net Cash from Investing Activities		-5537289		-56160
C Cash Flow from Financing Activities				
Share Capital Issue	0		0	
Share Premium A/c	0		0	
(Payment)/ Receipt of Long Term Borrowing	1307828		-2446432	
(Payment)/ Receipt of other Long Term Liabilities	0		-1228884	
Interest and Financial Charges	-1114460		-1485998	
Dividends paid	0	193368	0	-5161314
Net Cash from Financing Activities		193368		-5161314
NET CASH FLOWS DURING THE YEAR(A+B+C)		391219		-339729
Cash and Cash Equivalents(Opening Balance)		468828		808557
Cash and Cash Equivalents(Closing Balance)		860047		468828

For VISHAL MAHESHWARI & COMPANY
Chartered Accountants
FRN:007952C

(Vishal Maheshwari)
Partner
M.N.- 076685

Kanan Agarwal
(Managing Director)
DIN: 07318672

Sandeep Agarwal
(Director)
DIN: 02957566

Place: Kanpur
Date : 30.05.2016

Aditi Agarwal
(Chief Financial Officer)

Madhu Bansal
(Company Secretary)

Note – 1Significant 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>2014-15</u>	<u>2015-16</u>
	300000.00	1200000.00

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 outstanding amount of such loans total to Rs. 12,85,555.00 inclusive of Interest 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>2014-15</u>	<u>2015-16</u>
	Amount (Rs.)	Amount (Rs.)
i) Net profit/(Loss) after tax available for equity share holders (Rs.)	224400	241707
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.)	0.07	0.07

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

9) Payment to Auditor	<u>2014-2015</u>	<u>2015-2016</u>
Audit Fees	56180.00	57500.00
Taxation Matters	33708.00	34500.00

- 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 of Related Party and Nature of Relationship	Nature of Transaction	Transaction Value	Closing Balance
1.	Bindu Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	 13,00,000.00 13,46,000.00 4,17,223.00	41,14,295.00 (Cr)
2.	Kanan Agarwal (Director, Key Managerial Personnel)	Unsecured Loans	NIL	8,569.93 (Cr)
3.	Sandeep Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	 10,00,000.00 5,78,000.00 4,77,982.00	48,78,239.00 (Cr)
4.	Sandeep Agarwal (HUF) (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	 71507.00	6,58,623.00 (Cr)
5.	Sandeep S Gupta (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	 32,121.00	2,95,854.00 (Cr)
6.	Sanjeev Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	 7567.00	69,698.00 (Cr)
7.	Shilpa Gupta (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	 22,469.00	2,06,949.00 (Cr)
8.	Surendra Mohan Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	 1,647.00	15,338.00 (Cr)
9.	Vaibhav Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	 4,199.00	39,093.00 (Cr)
10.	Bindu Agarwal (Director, Key Managerial Personnel)	Director Remuneration	4,50,000.00	2,50,000 (Cr)
11.	Sandeep Agarwal (Director, Key Managerial Personnel)	Director Remuneration	3,00,000.00	2,48,000(Cr)
12.	Kanan Agarwal (Director, Key Managerial Personnel)	Director Remuneration	1,50,000.00	75,000.00(Cr)
13.	Rajvardhan Agencies Pvt. Ltd.	Sale Purchase	1,42,14,707.00 10,90,500.00	1,07,74,431.00 (Cr)
14.	S P Industries	Sale Rent	41,79,954.00 1,80,000.00	23,30,102.00 (Dr)
15.	Shree Radha Industries			8,15,084.00 (Cr)
16.	Shree Radha Udyog	Sale Rent	7,08,801.00 1,80,000.00	12,01,999.00 (Cr)

Note 2 :- Share Capital	2015-16	2014-15
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-16		31-Mar-15	
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 2016, the amount of per share recognised as distribution to equity shareholders was Rs. 0 (31 March 2015: Rs.0)

Detail of Shareholders Holding more than 5 percent Shares

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

Note 3:- Reserve & surplus		2015-16	2014-15
(a)	Capital & Redemption Reserve		
	Opening Balance	0	0
	Less: Trading to Share capital on issue of bonus shares	0	0
	Add/less: Any other adjustments	0	0
		0	0
(b)	Bond Redemption Reserve		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		0	0
(c)	Debenture Redemption Resesrve		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		0	0
(d)	Capital Reserve		
	Opening Balance	1589220	1589220
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		1589220	1589220
(e)	Securities Premium		
	As per last Balance sheet	14000000	14000000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		14000000	14000000
(f)	General Reserve		
	As per last Balance Sheet	800000	800000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		800000	800000
(g)	Foreign Currency Transalation Reserve	0	0
(h)	Surplus in the statement of Profit & Loss Account		
	As per last Balance Sheet	-6291902	-6475973
	Add: Profit for the year	241707	224400
	Less: Appropriations	-23278	40329
	Proposed Dividend	0	0
	Tax on dividened	0	0
	Transfer to general reserve	0	0
	Net surplus in the statement of profit and loss account	-6026917	-6291902
	Total Resesrve & Surplus	10362303	10097318

Note 4	Current		Non-Current	
	2015-16	2014-15	2015-16	2014-15
Liabilities				
a) Borrowings				
Secured				
i. Loans repayable of demand				
-From banks;	278261	601303	0	0
-From other parties	0	0	0	0
Unsecured				
i. Loans and advances from related parties/shareholders and directors	0	0	10286659	8978831
ii. Deposits	0	0	0	0
iii. Other Loans and advances	0	0	0	0
	278261	601303	10286659	8978831
b) Trade payables	25369369	24350413	0	0
c) Other Liabilities				
Current maturities of Long-Term debt	0	0	0	0
Current maturities of finance lease obligations	0	0	0	0
Deffered tax liability	0	0	0	0
Interest accrued but not due	0	0	0	0
Interest accrued and due	0	0	0	0
Income received in advance (Deffered and revenue)	0	0	0	0
Unpaid Dividends	0	0	0	0
Other Payables	1186793	241137	0	0
	1186793	241137	0	0
Note 5				
Provisions	2015-16	2014-15	2015-16	2014-15
Provisions for employee benefit	0	0	0	0
Others				
- Proposed Dividends	0	0	0	0
- Provision for Taxation	45328	0	0	22038
	45328	0	0	22038

Note 6
TANGIBLE AND INTANGIBLE ASSETS:

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	01.04.15	Addition	Adj.	Total	01.04.15	During Yr.	Total	31.03.16	31.03.15
Plant and Machinery	1665051	0	0	1665051	704793	181091	885884	779167	960258
Computer	25100	54449	0	79549	21807	24493	46300	33249	3293
Furniture & Fixture	22400	0	0	22400	5799	4298	10097	12303	16601
Office Equipment	15960	23200	0	39160	7193	12722	19915	19245	8767
Car	1229628	0	0	1229628	409414	257137	666551	563077	820214
TOTAL	2958139	77649	0	3035788	1149006	479741	1628747	1407041	1809133
Total (Previous Year)	2901979	56160	0	2958139	532775	616231	1149006	1809133	2369204

CAPITAL WORK IN PROGRESS :

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	01.04.15	Addition	Adj.	Total	01.04.15	During Yr.	Total	31.03.16	31.03.15
Building	0	3144464	0	3144464	0	0	0	3144464	0
Computers & Peripherals	0	460608	0	460608	0	0	0	460608	0
CCTV and Accessories	0	123463	0	123463	0	0	0	123463	0
Electrical Equipments	0	57206	0	57206	0	0	0	57206	0
Furniture & Fixture	0	109250	0	109250	0	0	0	109250	0
Laboratory Equipments	0	1421035	0	1421035	0	0	0	1421035	0
Plant and Machinery	0	143614	0	143614	0	0	0	143614	0
TOTAL	0	5459640	0	5459640	0	0	0	5459640	0
Total (Previous Year)	0	0	0	0	0	0	0	0	0
GRAND TOTAL	2958139	5537289	0	8495428	1149006	479741	1628747	6866681	1809133

Note 7

Non Current Investments	2015-16	2014-15
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	2015-16	2014-15
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	
	2015-16	2014-15	2015-16	2014-15
Inventories				
a) Raw Materials	0	0	0	0
b) Work- in progress	0	0	0	0
c) Finished goods	61060270	64080355	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
	61060270	64080355	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
	0	0	0	0
TOTAL	61060270	64080355	0	0

Note 10	Current		Non- Current	
	2015-16	2014-15	2015-16	2014-15
Cash & Cash Equivalents				
a) Balances with Banks				
Balances with Banks				
On current accounts	626547	276947	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
	626547	276947	0	0
b) Cheques, drafts on hands	0	0	0	0
c) Cash on Hand	233500	191881	0	0
	860047	468828	0	0

Note 11

Trade Receivable	Current		Non- Current	
	2015-16	2014-15	2015-16	2014-15
Unsecured considered goods	10486914	4168314	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	10486914	4168314	0	0

Note 12

Loans & Advances	Current		Non-current	
	2015-16	2014-15	2015-16	2014-15
a) Loans & Advances to Related parties	0	0	0	0
b) Other Advances				
Interest accrued on Investments	0	0	0	0
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, usecured considered good	344557	5853278	0	0
Less: Provision for doubtful advance	0	0	0	0
Advance Direct Taxes	0	50000	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	344557	5903278	173667	173667

Note 13

Revenue from Operations	2015-16	2014-15
Sale of Products	74280891	33743667
Less: Taxes Recovered	0	1143887
	74280891	32599780

Note 14

Other Income	2015-16	2014-15
Miscellaneous Income	1524360	0
Rent Income	690000	690000
	2214360	690000

Note 15

Cost of Materials Consumed	2015-16	2014-15
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	2015-16	2014-15
a) Salaries & wages	472000	266000
b) Contribution to provident funds	0	0
c) Staffwelfare expense	0	0
	472000	266000

Note 17

Finance Cost	2015-16	2014-15
a) Interest Expense	1035616	1386900
b) Other finance cost	78844	99098
	1114460	1485998

Note 18

Other Expenses	2015-16	2014-15
Advertisement and Publicity expenses	176690	120805
Auditors Remuneration	92000	89888
Balance w/o	0	-1
Accounting Expenses	3600	36205
Annual Fees	0	318791
Depository Fees	14865	29214
Fees	0	387080
Filing Fess	23900	82450
Insurance	32197	3466
Listing Fees	374350	1123600
Director's/CFO Remuneration	1200000	300000
Power & Fuel	421691	0
Professional and consultancy charges	130496	17225
Office Expenses	22280	34020
Printing & Stationery	29925	94900
Postage & Telegram	34790	35325
Repair & Maintenance	0	7140
Travelling Expenses	75234	0
Computer Running & Maintenance	59648	0
Electricity Charges	12000	0
RTA Fees	85900	0
Vehicle Running and Maintainance	97518	0
Website Charges	5616	0
Freight & Cartage	1478335	548987
Telephone Expenses	48798	10400
Misc. Expenses	35393	0
	4455226	3239495

Auditors Remmuneration Under:

Particulars	2015-16	2014-15
Audit fees & Tax Audit Fees	57500	56180
Certificate & Tax Services	34500	33708
Total	92000	89888

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Ninth Annual General Meeting of Members of Rakan Steels Limited will be held on Friday, 30th Day of September, 2016 at 11.00 am at the Registered Office of the Company at 77/39, Coolie Bazar, Kanpur – 208001 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 March 31, 2016 including the Reports of the Directors and Auditors thereon.
2. To reappoint Mrs. Bindu Agarwal, (DIN: 01578595) Director who retires by rotation.
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 an 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 were appointed as the auditors of the Company till the conclusion of the Annual General Meeting of the Company to be held in 2017 and whose office is 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 an Ordinary resolution**

“RESOLVED THAT pursuant to the provisions of Section 161 read along with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force), Mr. Kanan Agarwal who was appointed as an Additional Director of the Company at the Board Meeting held on January 4, 2016 and whose designation by virtue of a duly convened Board Meeting held on February 1, 2016 was changed to “Managing Director” of the Company and whose term expires at this Annual General Meeting and for whom the Company has received a notice in writing proposing his candidature for the office of the director be and is hereby appointed as a director of the Company.

“RESOLVED FURTHER THAT any of the Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

5. **To consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution.**

“RESOLVED THAT pursuant to the provisions of Section 12(5)(a) of the Companies Act, 2013, rules framed there under and other applicable provisions, if any, (including any statutory

modification(s) from time to time or any re-enactment thereof for the time being in force), the Registered Office of the Company be and is hereby shifted from its current location at 77/39, Coolie Bazar, Kanpur-208001 to **NH-2, (1 km before Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209304**, a place situated in Kanpur Dehat which is outside the local limits of the city where it is currently situated but within the same state.”

“RESOLVED FURTHER THAT Mr. Kanan Agarwal, Director, (DIN: 07318672), or any of the other Directors be and is hereby authorized to file Form INC-22 with the Registrar of Companies, Kanpur containing the verification of the Registered Office of the Company and to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution.”

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

“RESOLVED THAT pursuant to 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 to Mr. Kanan Agarwal.

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. Kanan 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. Kanan 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.”

7. To consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Section 188 (1) (c) and all other applicable provisions if any, of the Companies Act, 2013 (the Act) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be accorded to the Board of Directors of the company to the proposed transaction between the Company and society M/s Rakan Group of Institutions” (a related party) for taking the property of M/s Rakan Steels Limited on rent by the society for utilizing the place lying vacant and not in use of “Rakan Steels Limited” for the benefit of the public by opening school in that vacant place or any other charitable purpose as the Company may think fit in its absolute discretion on the terms as agreed / may be agreed between Board of Directors and the members of the aforesaid society and as briefly mentioned in the explanatory statement to this resolution.

RESOLVED FURTHER THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications (s) or re-enactment thereof, for the time being in force) the approval/ratification of the shareholders be and is hereby also accorded to the Board of Directors for enhancing the existing related party transactions not exceeding a sum of Rs. 10,00,00,000 (Ten Crores) only per annum.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to determine and do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

Date: 13/08/2016
Place: Kanpur

By the order of the Board

For Rakan Steels Limited
Sd/-
Kanan Agarwal
(Managing Director)
DIN: 07318672

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 2016** (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 29th 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 29th 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 29th 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 29th AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting Physical Copy.
 - (i) Please follow Sl. No. (i) to Sl. No. (xi) Above, to cast vote.

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.

The instructions for e-voting are as under:

- (i) The Notice of the 29th Annual General Meeting of the Company inter alia indicating the process along with printed Attendance Slip and Proxy Form is being dispatched to all the Members. An Attendance Slip E Voting Number (EVEN) shall be mentioned.
 - ii) NSDL shall also be sending the User-ID and Password, to those members whose shareholding is in the dematerialized format and whose email addresses are registered with the Company/Depository Participants(s).
 - iii) Launch internet browser by typing the following URL:
<https://www.evoting.nsdl.com/>
 - iv) Click on Shareholder – Login
 - v) Put user ID and password as initial password noted in step (ii) above. Click Login.
 - vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vii) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
 - viii) Select "EVEN" of Rakan Steels Limited.
 - ix) Now you are ready for e-Voting as Cast Vote page opens
 - x) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

- xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - xii) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer with a copy marked to evoting@nsdl.co.in.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
 - III. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.
 - IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - V. The e-voting period commence on **27th September, 2016 (09:00 am) and ends on 29th September, 2016 (05:00 pm)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23rd September 2016** may cast their vote electronically. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - VI. 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 **23rd September 2016**.
 - VII. A copy of this notice has been placed on the web site of the Company and website of NSDL. Practicing Company Secretary, Mr. Ashok Maheshwari (Certificate of Practice no. 073968) has been appointed as scrutinizer to scrutinize the e voting process in a fair and transparent manner.
 - VIII. Since the Company is required to provide members facility to exercise their right to vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **23rd September 2016** and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
 - IX. The Scrutinizer shall within a period of not exceeding three(3) working days from the conclusion of the e-Voting period unlock the votes in the presence of atleast two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 0
- X. The Results shall be declared on or after the 29th 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 at the 29th Annual General Meeting of the Company on **30th September, 2016** and communicated to the Ahmedabad Stock Exchange Limited and MCEX

ANNEXURE TO THE NOTICE:

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED WITH CLAUSE 49 OF THE LISTING AGREEMENT/ SEBI (LODR), REGULATIONS, 2015 WITH THE STOCK EXCHANGE/ SEBI:

EXPLANATORY STATEMENTS

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, 5 and 6 of the accompanying Notice dated 13-08-2016.

Item - 2

Mrs. Bindu Agarwal is an Executive Non-Independent Director of the Company whose office is subject to retirement in the Annual General Meeting of the Company as per Section 152(6) of the Companies Act, 2013. The resolution seeks for her re-appointment at this Annual General Meeting. The particulars of the Director are given below:

BINDU AGARWAL

NAME	BINDU AGARWAL
FATHER'S NAME	SUKHDEV GOEL
D.O.B	29/01/1967
ADDRESS	702, ANAND PALACE, 10/499-A ALLENGANJ, KANPUR-208002
QUALIFICATION	GRADUATION
EXPERIENCE	10 years of experience in the field of Iron & Steel Industry
OTHER DIRECTORSHIPS	NIL
SHAREHOLDING IN THE COMPANY	81950 SHARES

Item - 4

The Board of Directors of the Company had appointed Mr. Kanan Agarwal (DIN: 07318672) as an Additional Director of the Company w.e.f. January 4, 2016 pursuant to Section 161 of the Companies Act, 2013. And then, further was appointed as the Managing Director of the Company on 1st February 2016. Mr. Kanan Agarwal had to hold office upto the conclusion of this Annual General Meeting as he was appointed as an Additional Director on the board to hold office upto the ensuing Annual General Meeting.

The resolution seeks approval of the members for the regularization of Mr. Kanan Agarwal as the Director of the Company. In the opinion of the Board of Directors, Mr. Kanan Agarwal, who is proposed to be appointed fulfills the Conditions specified in the Act and the Rules made thereunder. Accordingly, Board of Directors recommends the passing of Ordinary Resolution as set out in the the Notice.

None of the Directors and other Key Managerial Personnel or their respective relatives except Mr. Kanan Agarwal is concerned or interested financially or otherwise in this Resolution.

Item - 5

The Company wants to shift the Registered Office of the Company because the Board of Directors are of the opinion that there exists ample of opportunities to continue the business activities and diversify, expand and explore numerous business circumstances at the new place. Thus, it is considered that the resources at the disposal of the Company can be utilized in a better way to diversify the business activities of the Company. Also carrying out the business activities of the Company from Rania would result in saving of the various administrative costs as well as provide an impetus in the growth of the Company. Also it is pertinent to mention that Rania has better facilities away from the crowded city life. Hence it is considered fit and proper and in the general interest of the Company and all its stakeholders to shift the Registered Office of the Company from 77/39, Coolie Bazar, Kanpur-208001 to **NH-2, (1 km before Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209304.**

None of the 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 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. Kanan 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. Kanan Agarwal as Executive Director of the Company will remain unchanged.

Except Mr. Kanan Agarwal, Bindu Agarwal and 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 -7

In light of provisions of Section 188(1) (c) of the Companies Act, 2013 and rules made thereunder, the Audit committee and Board of Directors of the Company have approved the transactions along with the annual limits that your company may enter with its related party i.e "Rakan Group of Institutions".

There is a part of the property of the Company that is lying vacant and is currently of no use for the Company as it is the backside of the plot which cannot be utilized for any purpose of the Company. The Board of Directors are of the view that instead of the property remaining unoccupied, the land should be utilized to the best possible extent and for that the most authentic way considerable is to give it on rent for a charitable and noble cause. The Company is of the view that being a Corporate Citizen it is their duty to make contributions which are for the benefit and betterment of the Society and for that it wants to let-out the property to the society named "Rakan Group of Institutions" which is also a related party of the Company at nominal rental rates which are below the rates

prevailing in the market for the purpose of either opening a School or for any other charitable purpose as it may be thought necessary and agreed to between the Board of Directors of the Company and the members of Rakan Group of Institutions (the society).

All disclosures prescribed to be given under the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 are provided in the table appended below for the perusal of the members.

Name of the Related Party	Nature of relationship	Nature of the transaction	Maximum Expected Value of the transactions per annum (Rs.)
Rakan Group of Institutions	Related party (Promoters are same)	Leasing Contract	840000

FOR THE EXISTING RELATED PARTY TRANSACTIONS

The Existing Related party transactions between the Company and their related parties like Rajvardhan Agencies Pvt. Ltd. (One of the promoters of the Company), S.P. Industries, Shree Radha Industries, Shri Barsana Wires and Shree Radha Udyog are transactions which are of sale purchase in nature and which are carried on at arms length basis and are at the prevailing market prices. The above resolution in order to enhance the business of the Company to increase its demand and cope up with its supply is placed before the shareholders for their approval as a special resolution.

Members are hereby informed that pursuant to second proviso of section 188(1) of the Companies Act, 2013, no member of the company shall vote on such special resolution to approve any contract or arrangement, if such member is a related party.

A copy of the draft agreement with said related parties setting out the terms and conditions is/are available for inspection without any fee to members at the Company's registered office during the normal business hours on working days up to the date of the AGM and will be placed on the website of the company.

Your Directors recommend the resolution for your approval.

Date: 13/08/2016

Place: Kanpur

By the order of the Board

For Rakan Steels Limited
Sd/-
Kanan Agarwal
(Managing Director)
DIN: 07318672

RAKAN STEELS LIMITED

CIN: L27320UP1985PLC007582

R/O: 77/39 COOLIE BAZAR, KANPUR-208001

Corporate Office: TOP FLOOR ANAND PALACE, 10/499 ALLEN GANJ, KANPUR-208002

E Mail: kananagarwal@rediffmail.comTel no. 0512-2544026 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 Registered Office, 77/39 Coolie Bazar, Kanpur- 208001 on Friday, the 30th day of September 2016 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-208001

Corporate Office: TOP FLOOR ANAND PALACE, 10/499 ALLEN GANJ, KANPUR-208002

E Mail: kananagarwal@rediffmail.comTel no. 0512-2544026 WEB: www.rakansteels.co.in**FORM NO. MGT 11**
PROXY FORMPursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014Name 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:
Signatureas 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 Friday, September 30th, 2016 at 11.00 A.M. at the registered 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, 2016.		
2.	Reappointment of Mrs. Bindu Agarwal, (DIN:01578595) 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.	Regularisation of Mr. Kanan Agarwal as the Director of the Company.		
5.	Change in the Registered Office address of the Company.		
6.	Payment of remuneration to Mr. Kanan Agarwal, Managing Director of the Company exceeding 5% of the Net Profits of the Company.		
7.	Approval of Related Party Transaction between the Company and Rakan Group of Institutions (a related party).		

Signed this day of 2016.

Signature of the Member

Signature of the Proxy Holder(s)

AFFIX
REVENUE
STAMP NOT
LESS THAN
Re 1

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.

ROUTE MAP OF THE VENUE OF 29TH ANNUAL GENERAL MEETING OF RAKAN STEELS LIMITED

ADDRESS: 77/39, COOLIE BAZAR, KANPUR-208001

