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# **INDEPENDENT AUDITOR'S REPORT**

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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 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## **Management's Responsibility for the Standalone Financial Statements**

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

## **Auditor's Responsibility**

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

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

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

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

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

### **Opinion**

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

### **Report on Other Legal and Regulatory Requirements**

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

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

For VISHAL MAHESHWARI & COMPANY  
Chartered Accountants  
FRN: 007952C

Sd/-  
VISHAL MAHESHWARI  
Partner  
M.No: 076685

Place: Kanpur.  
Dated: 31.05.2015

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## ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

For VISHAL MAHESHWARI & COMPANY  
Chartered Accountants  
FRN: 007952C

Sd/-  
VISHAL MAHESHWARI  
Partner  
M.No: 076685

Place: Kanpur.  
Dated: 31.05.2015

**RAKAN STEELS LIMITED**  
**BALANCE SHEET AS ON 31.03.2015**

Particulars	Note No	2014-15	2013-14
<b>EQUITY &amp; LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	32400000	32400000
(b) Reserve & Surplus	3	10097318	9913247
( c) Money Received against share warrants		0	0
(d) Minority Interest		0	0
<b>(2) Share application money pending allotment</b>		0	0
<b>(3) Non- Current Liabilities</b>			
(a) long Term borrowings	4	8978831	11425263
(b) Deferred tax liabilities(net)	4	0	15331
( c) Other long term liabilities	4	0	1218067
(d) Long term provisions	5	22038	32855
<b>(4) Current liabilities</b>			
(a) Short term borrowings	4	601303	4030929
(b) Trade payable	4	24350413	14959945
( c) Other current Liabilities	4	241137	19515
(d) Short Term provisions	5	0	23854
<b>TOTAL</b>		<b>76691040</b>	<b>74039006</b>
<b>II. ASSETS</b>			
<b>(1) Non Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets	6	1809132	2369204
(ii) Intangible assets	6	0	0
(iii) Capital work in progress		0	0
(iv) Intangible assets under development		0	0
(b) Non- current investments	7	0	0
( c) Deferred tax assets (net)		87466	0
(d) Long term loans & advances	12	173667	780515
(e) Other non-current assets	12	0	0
<b>(2). Current assets</b>			
(a) Current investments	8	0	0
(b) Inventories	9	64080355	64858519
( c) Trade Receivables	11	4168314	1295754
(d) Cash & cash equivalents	10	468828	808557
(e) Short term loans and advances	12	5903278	3926457
(f) Other current assets	12	0	0
<b>TOTAL</b>		<b>76691040</b>	<b>74039006</b>

**Notes to Accounts**

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

For VISHAL MAHESHWARI & Company  
Chartered Accountants

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

Place: Kanpur  
Date : 25.05.2015

**RAKAN STEELS LIMITED**

Sd/- Bindu Agarwal (Managing Director)	Sd/- Sandeep Agarwal (Additional Director)
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Sd/- Aditi Agarwal (Chief Financial Officer)	Sd/- Meghna Srivastava (Company Secretary)
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**RAKAN STEELS LIMITED**

**Profit and Loss statement for the year ended 31st March 2015**

Particulars	Note No.	2014-15	2013-14
I. Revenue from operations	13	32599780	29275434
II. Other Income	14	690000	474000
<b>III.Total Revenue(I+II)</b>		<b>33289780</b>	<b>29749434</b>
<b>IV. EXPENSES:</b>			
Cost of material consumed	15	0	0
Purchase of Stock- in-Trade		26788236	30791162
Changes in inventories of finished goods, work in progress and stock-in- Trade		778164	-4459272
Employee benefit expense	16	0	0
Financial Cost	17	266000	144000
Depreciation and amortization expense	6	1485998	1488049
Other Expenses	18	616231	229133
		3239495	1410365
<b>IV.Total Expenses</b>		<b>33174124</b>	<b>29603437</b>
V. Profit before exceptional and extraordinary items and tax	(III-IV)	115656	145997
VI.Exceptional Items		0	0
VII. Profit before extraordinary items and tax	(V-VI)	115656	145997
VIII. Extraordinary Items		0	0
IX. Profit before tax	(VII-VIII)	<b>115656</b>	<b>145997</b>
X. Tax Expense:			
(1) Current Tax		0	23854
(2) Deferred Tax		-108744	5947
XI. Profit(Loss) from the period continuing operations	(IX-X)	224400	116196
XII. Profit/(Loss) from discontinuing operations		0	0
XIII. Tax expense of discontinuing operations		0	0
XIV. Profit/(Loss) from discontinuing operations	(XII-XIII)	0	0
XV. Profit/(loss) for the period	(XI+ XIV)	224400	116196
XVI. Share of results of Associates		0	0
XVII. Minority Interest		0	0
XVIII. Profit/(loss) for the period (XV+XVI+XVII)		<b>224400</b>	<b>116196</b>
XIX. Earning per equity share:			
(1) Basic		0.07	0.04
(2) Diluted		0.01	0.10

**Notes to Accounts**

1. Figures have been rounded of to the nearest rupee

For VISHAL MAHESHWARI & Company

Chartered Accountants

Sd/-

(Vishal Maheshwari)

Proprietor

M.N.- 076685

FRN:007952C

Place: Kanpur

Date : 25.05.2015

**Rakan Steels Limited**

Sd/-

Bindu Agarwal  
(Managing Director)

Sd/-

Sandeep Agarwal  
(Additional Director)

Sd/-

Aditi Agarwal  
(Chief Financial Officer)

Sd/-

Meghna Srivastava  
(Company Secretary)





**Note 6****TANGIBLE AND INTANGIBLE ASSETS:**

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

<b>Note 2 :- Share Capital</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Authorised Shares</b> 5500000 Nos. Equity Shares of Rs.10/- each (Previous year 5500000 Equity shares of Rs.10/-each)	55000000	55000000
	55000000	55000000
<b>Issued ,Subscribed &amp; Fully Paid</b> (3240000 Equity Shares of Rs. 10/- each)	32400000	32400000
<b>Total Issued ,Subscribed &amp; Fully Paid</b>	32400000	32400000

<b>Share Capital Schedule (No. of shares Outstanding)</b>	<b>31-Mar-15</b>		<b>31-Mar-14</b>	
<b>Particulars</b>	<b>Nos</b>	<b>Amount</b>	<b>Nos</b>	<b>Amount</b>
Opening number of Shares Outstanding	3240000	32400000	3240000	32400000
Add: Preferential Shares	0	0	0	0
Less:	0	0	0	0
Closing number of outstanding shares at the end of the period	3240000	32400000	3240000	32400000

**During the year ended 31 March 2015, the amount of per share recognised as distribution to equity shareholders was Rs. 0 ( 31 March 2014: Rs.0)**

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

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

<b>Note 3:- Reserve &amp; surplus</b>		<b>2014-15</b>	<b>2013-14</b>
<b>(a)</b>	<b>Capital &amp; Redemption Reserve</b>		
	Opening Balance	0	0
	Less: Trading to Share capital on issue of bonus shares	0	0
	Add/less: Any other adjustments	0	0
		<b>0</b>	<b>0</b>
<b>(b)</b>	<b>Bond Redemption Reserve</b>		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		<b>0</b>	<b>0</b>
<b>(c)</b>	<b>Debenture Redemption Reserve</b>		
	Opening Balance	0	0
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		<b>0</b>	<b>0</b>
<b>(d)</b>	<b>Capital Reserve</b>		
	Opening Balance	1589220	1589220
	Add: Any other adjustments	0	0
	Less: Any other adjustments	0	0
		<b>1589220</b>	<b>1589220</b>
<b>(e)</b>	<b>Securities Premium</b>		
	As per last Balance sheet	14000000	14000000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		<b>14000000</b>	<b>14000000</b>
<b>(f)</b>	<b>General Reserve</b>		
	As per last Balance Sheet	800000	800000
	Add: Any other adjustments	0	0
	less: Any other adjustments	0	0
		<b>800000</b>	<b>800000</b>
<b>(g)</b>	Foreign Currency Translation Reserve	<b>0</b>	<b>0</b>
<b>(h)</b>	<b>Surplus in the statement of Profit &amp; Loss Account</b>		
	As per last Balance Sheet	-6475973	-6592169
	Add: Profit for the year	224400	116196
	Less: Appropriations	40329	0
	Proposed Dividend	0	0
	Tax on dividend	0	0
	Transfer to general reserve	0	0
	<b>Net surplus in the statement of profit and loss account</b>	<b>-6291902</b>	<b>-6475973</b>
	<b>Total Reserve &amp; Surplus</b>	<b>10097318</b>	<b>9913247</b>

Note 4	Current		Non-Current	
	2014-15	2013-14	2014-15	2013-14
<b>Liabilities</b>				
<b>a) Borrowings</b>				
<b>Secured</b>				
i. Loans repayable of demand				
-From banks;	601303	888630	0	0
-From other parties	0	0	0	0
<b>Unsecured</b>				
i. Loans and advances from related parties/shareholders and directors	0	3142299	8978831	11425263
ii. Deposits	0	0	0	0
iii. Other Loans and advances	0	0	0	0
	<b>601303</b>	<b>4030929</b>	<b>8978831</b>	<b>11425263</b>
<b>b) Trade payables</b>	24350413	14959945	0	1200362
<b>c) Other Liabilities</b>				
Current maturities of Long-Term debt	0	0	0	0
Current maturities of finance lease obligations	0	0	0	0
Deferred tax liability	0	5947	21278	15331
Interest accrued but not due	0	0	0	0
Interest accrued and due	0	0	0	0
Income received in advance (Deferred and revenue)	0	0	0	0
Unpaid Dividends	0	0	0	0
Other Payables	241137	13568	0	17705
	<b>241137</b>	<b>19515</b>	<b>21278</b>	<b>33036</b>
<b>Note 5</b>				
<b>Provisions</b>				
Provisions for employee benefit	0	0	0	0
Others				
- Proposed Dividends	0	0	0	0
- Provision for Taxation	0	23854	22038	32855
	<b>0</b>	<b>23854</b>	<b>22038</b>	<b>32855</b>

**Note 7**

<b>Non Current Investments</b>	<b>2014-15</b>	<b>2013-14</b>
a) Investment Property	0	0
b) Investments in Equity Instruments	0	0
<b>1. Investments in Associate - Un-Quoted</b>		
Opening Balance (Extent of holding 99%)	0	0
Add: Share of profit for previous years	0	0
Add: Share of profit for current year (Market Value_)	0	0
<b>2. Investment - Quoted</b> (Market Value_)	0	0
<b>3. Investment in joint Venture - unquoted</b>	0	0
<b>4. Other unquoted investments</b>	0	0
	<b>0</b>	<b>0</b>

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

**Note 8**

<b>Current Investments</b>	<b>2014-15</b>	<b>2013-14</b>
<b>a) Investment in Mutual Funds</b>	0	0
Mutual Funds(Provide break up of each scheme of mutual fund invested into)		
<b>b).Other investments</b>		
Commercial Paper of _____	0	0
Commercial Paper of _____	0	0
Certificate of Deposit of _____	0	0
Certificate of Deposit of _____	0	0
<b>c) Quoted Investments</b>	0	0
	<b>0</b>	<b>0</b>

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

Note 9	Current		Non- Current	
	2014-15	2013-14	2014-15	2013-14
<b>Inventories</b>				
a) Raw Materials	0	0	0	0
b) Work- in progress	0	0	0	0
c) Finished goods	64080355	64858519	0	0
d) Stock in trade	0	0	0	0
Programs. Movies & Rights	0	0	0	0
- Unamortised cost	0	0	0	0
- Under production	0	0	0	0
Raw stock Tapes	0	0	0	0
	64080355	64858519	0	0
e) Stores & Spares	0	0	0	0
f) Loose Tools	0	0	0	0
	0	0	0	0
<b>TOTAL</b>	<b>64080355</b>	<b>64858519</b>	<b>0</b>	<b>0</b>

Note 10	Current		Non- Current	
	2014-15	2013-14	2014-15	2013-14
<b>Cash &amp; Cash Equivalents</b>				
<b>a) Balances with Banks</b>				
Balances with Banks				
On current accounts	276947	25697	0	0
On Margin Money	0	0	0	0
On unpaid dividend account	0	0	0	0
Deposits with banks maturity less than 12 months	0	0	0	0
	<b>276947</b>	<b>25697</b>	<b>0</b>	<b>0</b>
<b>b) Cheques, drafts on hands</b>	0	0	0	0
<b>c) Cash on Hand</b>	191881	782860	0	0
	<b>468828</b>	<b>808557</b>	<b>0</b>	<b>0</b>

**Note 11**

	Current		Non- Current	
	2014-15	2013-14	2014-15	2013-14
<b>Trade Receivable</b>				
Unsecured considered goods	4168314	1295754	0	0
Outstanding for a period exceeding Six month from the date they are due for payment	0	0	0	0
Others	0	0	0	0
	0	0	0	0
Less: Provision for doubtful debts	0	0	0	0
<b>TOTAL</b>	<b>4168314</b>	<b>1295754</b>	<b>0</b>	<b>0</b>

**Note 12**

	Current		Non-current	
	2014-15	2013-14	2014-15	2013-14
<b>Loans &amp; Advances</b>				
<b>a) Loans &amp; Advances to Related parties</b>	0	0	0	0
<b>b) Other Advances</b>				
Interest accrued on Investments	0	0	0	0
Loans	0	0	0	0
Advances, secured considered good	0	0	0	0
Advances, unsecured considered good	5853278	3876457	0	581848
Less: Provision for doubtful advance	0	0	0	0
	50000	50000	0	25000
Advance Direct Taxes	0	0	0	0
Advance Indirect Taxes	0	0	0	0
Other Receivables	0	0	0	0
Unsecured considered goods	0	0	0	0
Outstanding for a period exceeding six month from the date they are due for payment	0	0	0	0
Others	0	0	0	0
Capital Advances	0	0	0	0
Deposits secured, considered goods	0	0	173667	173667
Deposits unsecured, considered goods	0	0	0	0
<b>TOTAL</b>	<b>5903278</b>	<b>3926457</b>	<b>173667</b>	<b>780515</b>

**Note 13**

<b>Revenue from Operations</b>	<b>2014-15</b>	<b>2013-14</b>
Sale of Products	33743667	30394621
Less: Taxes Recovered	1143887	1119187
	<b>32599780</b>	<b>29275434</b>



**Note 14**

<b>Other Income</b>	<b>2014-15</b>	<b>2013-14</b>
Miscellaneous Income	0	0
Rent Income	690000	474000
	<b>690000</b>	<b>474000</b>

**Note 15**

<b>Cost of Materials Consumed</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Raw Material Consumed</b>		
Opening Stock	0	0
Add: Purchase During the Year	0	0
Less: Closing Stock	0	0
	<b>0</b>	<b>0</b>

**Note 16**

<b>Employee benefit expenses</b>	<b>2014-15</b>	<b>2013-14</b>
a) Salaries & wages	266000	144000
b) Contribution to provident funds	0	0
c) Staff welfare expense	0	0
	<b>266000</b>	<b>144000</b>

**Note 17**

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

**Note 18**

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

**Auditors Remuneration Under:**

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

## Note – 1

### Significant Accounting Policies:

#### A) GENERAL

The Accounts of the Company are prepared on an accrual basis, under the historical cost convention and in accordance with applicable mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The Accounts have been prepared on the concept of going concern.

#### B) FIXED ASSET/ INTANGIBLE ASSETS

Fixed Assets : The fixed assets have been valued at historical cost Less depreciation provided on written down value method at rates prescribed in Schedule II of the Companies Act, 2013.

#### C) DEPRECIATION / AMORTISATION

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

#### D) INVENTORIES

Raw Material at Cost on FIFO Method.

WIP and Finished Goods at Cost or Market Value whichever is less.

#### E) REVENUE RECOGNITION

1) Sales are accounted for on dispatch and are stated at net of trade tax and sales return.

2) Purchases are recognized at the time of receipt of material.

3) Other income, Interest and other expenses are recognized on accrual basis.

#### F) RETIREMENT BENEFITS

The company has not provided for any retirement benefits including gratuity.

#### G) EARNING PER SHARE

Earning per share is calculated in accordance with AS-20 issued by the Institute of Chartered Accountants of India.

#### H) TAXATION

##### (i) INCOME TAX

Provision of income tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961 and considering any pending litigations & orders in company's case.

##### (ii) DEFERRED TAX

Deferred Tax assets and Liabilities are recognized in accordance with AS-22 "Accounting for Taxes on Income" on the basis of reasonable / virtual certainty that sufficient future taxable income will be available against which the same can be realized.

(iii) Fixed assets had been converted into in trade. Therefore, the tax on the stock will be computed as per Section 45(2) of Income tax Act, 1961.

#### I) IMPAIRMENT OF ASSETS

An assets is treated as impaired when the carrying cost of an asset exceeds its recoverable value and impairment loss is charged to profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting year is reversed if there has been a change in the estimate of the recoverable amount.

#### J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions in respect of present obligation arising out of past events are made in accounts when reliable estimates can be made of the amount of the obligation. Contingent liabilities (if material) are disclosed by way of Notes on Accounts. Contingent assets are not recognized or disclosed in financial statements and are included, if any, in the Director's report.

## NOTES TO ACCOUNTS

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

3) Directors remuneration:	<u>2013-14</u>	<u>2014-15</u>
	600000.00	300000.00

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

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

	<u>2013-14</u>	<u>2014-15</u>
	Amount (Rs.)	Amount (Rs.)
i) Net profit/(Loss) after tax available for equity share holders (Rs.)	116196	224400
ii) Average number of equity share of Rs. 100/- each used as denominator for calculating EPS	3240000	3240000
iii) Basic/ Diluted Earning per share of face value of Rs. 100 each (Rs.)	0.04	0.07

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

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

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

ANNEXURE – RELATED PARTY DISCLOSURES (AS – 18)

<b><u>S.No.</u></b>	<b><u>Name</u></b>	<b><u>Nature of Transaction</u></b>	<b><u>Transaction Value</u></b>	<b><u>Closing Balance</u></b>
1.	Bindu Agarwal	Unsecured Loans	7,27,614.00 (dr) 39,06,350.00 (cr)	37,84,794.00 (cr)
2.	Kanan Agarwal	Unsecured Loans	2,48,400.00 (dr) 10,735.00 (cr)	8,570.00 (cr)
3.	Rishabh Agarwal	Unsecured Loans	19,769.00 (dr) 1,706.00 (cr)	Nil
4.	Sandeep Agarwal	Unsecured Loans	87,961.00 (dr) 31,68,278.00 (cr)	40,26,055.00 (cr)
5.	Sandeep Agarwal ( HUF)	Unsecured Loans	12,252.00 (dr) 64,439.00 (cr)	5,94,267.00 (cr)
6.	Sandeep S Gupta	Unsecured Loans	35,31,780.00 (dr) 6,73,175.00 (cr)	2,66,945.00 (cr)
7.	Sanjeev Agarwal	Unsecured Loans	32,71,654.00 (dr) 1,83,982.00 (cr)	62,888.00 (cr)
8.	Sanjiv Agarwal (HUF)	Unsecured Loans	8,62,960.00 (dr)	Nil
9.	Shilpa Gupta	Unsecured Loans	19,91,437.00 (dr) 3,57,968.00 (cr)	1,86,727.00 (cr)
10.	Surendra Mohan Agarwal HUF	Unsecured Loans	2,72,160.00 (dr)	Nil
11.	Surendra Mohan Agarwal	Unsecured Loans	23,26,871.00 (dr) 3,07,653.00 (cr)	13,691.00 (cr)
12.	Vaibhav Agarwal	Unsecured Loans	9,56,599.00 (dr) 46,440.00 (cr)	34,894.00 (cr)
13.	Bindu Agarwal	Director Remuneration	3,00,000.00(dr) 3,00,000.00(cr)	Nil
14.	Rajvardhan Agencies Pvt. Ltd.	Purchases / Sales, receipt / payments	59,97,803.00 (dr) 33,33,164.00 (cr)	42,79,314.00 (dr)
15.	S P Industries	Rent	1,20,000.00 (dr)	Nil
16.	Shree Radha Industries	Rent	50,000.00(dr)	Nil
17.	Shree Radha Udyog	Rent	70,000.00(dr)	Nil
18.	Shree Barsana Wires	Purchases / Sales, receipt / payments	16,10,000.00 (dr) 76,55,000.00 (cr)	1,48,82,068.00(cr)
19.	Shree Radha Industries	Purchases / Sales, receipt / payments	27,52,747.00 (dr) 51,54,891.00 (cr)	6,75,084.00 (cr)
20.	Shree Radha Udyog	Purchases / Sales, receipt / payments	2,06,000.00 (dr) 4,06,000.00 (cr)	2,00,000.00 (cr)
21.	S P Industries	Purchases / Sales, receipt / payments	25,66,313.00 (dr) 16,49,505.00 (cr)	9,16,808.00 (dr)