



CIN L27320UP1985PLC007582

RAKAN STEELS LIMITED

Regd. Office : Rakan I.T.I., Nh-2, 1 Km Before Bara Toll Plaza,
Umran, Rania, Kanpur Dehat - 209311
Website : www.rakansteels.co.in

Ref.

Date 04/10/2018

To
The Secretary
METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED
Vibgyor Towers,
4th Floor, Plot No. C 62, G-Block
Bandra(E),
Mumbai-400098

Dear Sir/Madam,

Subject: Annual Report of the Company for the financial year ended March 31, 2018.

With reference to the aforesaid subject, we would hereby like to furnish to your good office the Annual Report of Rakan Steels Limited pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2018 which was considered, approved and adopted by the members of the Company in the 31st Annual General Meeting held on September 29, 2018 at the registered office of the Company as per the provisions of the Companies Act, 2013.

Therefore, it would be kind on your part to take the same into your records and oblige.

Thanking You

Yours faithfully

For Rakan Steels Limited
For Rakan Steels Limited

Director/Authorised Signatory

Garima Priyani
(Company Secretary & Compliance Officer)



RAKAN STEELS LIMITED

(CIN: L27320UP1985PLC007582)

31st ANNUAL REPORT 2017-2018

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CORPORATE INFORMATION

BOARD OF DIRECTORS

NAME OF THE DIRECTOR	DESIGNATION OF THE DIRECTOR
Mr. Kannan Agarwal	Managing Director
Mr. Sandeep Agarwal	Executive Director
Mrs. Kashish Grover	Executive Director
Mr. Mahendra Bahadur Singh	Non- Executive Independent Director
Mr. Uma Shanker Dixit	Non- Executive Independent Director
Ms. Radhika Bansal	Non- Executive Independent (Additional) Director

CHIEF FINANCIAL OFFICER

Mr. Rachit Agarwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Garima Priyani

BANKERS

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

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

AUDITORS

M/s Maneesh Avneesh & Company
Chartered Accountants
310, 3rd Floor, Kalpana Plaza,
Birhana Road,
Kanpur-208001

REGISTERED OFFICE

NH-2 (1 km from Bara Toll Plaza)
Umran, Rania,
Kanpur Dehat-209311

CORPORATE OFFICE

77/39, Coolie Bazar,
Kanpur-208001

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

E- Mail ID: support@rakansteels.co.in

Website: www.rakansteels.co.in

Tel no.: (+91) 9598668666; 9129128786 Fax No.: 0512-2544025

MANAGING DIRECTOR'S COMMUNIQUE

Dear Fellow Shareowners,

It gives me immense pleasure to share with you the Annual Report of the Company for the financial year 2017-2018. We have completed another successful year and I am extremely elated to share with you all that the Rakan (I.T.I) Unit established by your divine blessings and good wishes has been yielding fruitful results for the Company's growth and development. We have made a spectacular start at the elementary level of its establishment. In a world full of volatility, uncertainty, complexity and ambiguity this achievement is indeed commendable.

I thank and congratulate everyone at *Rakan Steels Limited* for this feat.

The global economy is now growing at its fastest pace since 2010, with the upturn becoming increasingly synchronized across countries. The world economy is expected to strengthen further in 2018 and 2019, with economic growth projected to rise to about 4% from 3.7% in 2017. Stronger investments, the rebound in global trade and higher employment are helping make the recovery increasingly broad-based which in turn will be a pre-requisite for taking the economy to an all together different level at a faster pace. This long awaited lift, supported by policy stimulus, is being accompanied by solid employment gains, a moderate upturn in investment and a pick-up in trade growth.

India's economy maintained its strong growth in FY 2017-2018- the Gross Domestic Product growth was 6.7% with a strong 7.7% increase in the last quarter of the year. With the 'One Nation, One Tax' GST regime being implemented and gradually stabilizing by the second half of the year, the economy witnessed upsurge in investments, consumption as well as government spending. Industrial activity rebounded and services indicators too showed positive trends. Thanks to a series of policy initiatives, India moved into the World's Top 100 countries in terms of ease of doing business. The Country also retained its position as a favored destination for foreign capital, with gross foreign direct investment inflows of \$64.6 billion in 2017.

We venture for continued distinction in the industry supported by our four core values of transparency, strive for excellence, dynamism and passion for learning. I am grateful to our team for their sustained efforts, unflinching dedication, commitment and contribution for making *Rakan Steels Limited* a brand that it is today.

I would like to thank all my colleagues for their dedication, innovation and hard work. By creating new benchmarks in the business we operate in, our team is delivering on our mission to generate sustainable value for our stakeholders and India. These efforts also help us to deliver inclusive growth and make life better for everyone.

I would like to place on record my sincere appreciation to the Board of Directors for their guidance. I would like to express my gratitude to all our stakeholders for their continuing faith in *Rakan Steels Limited*.

I solicit your continued cooperation.

Sincere regards,

SD/-

**Kannan Agarwal
(Managing Director)
(DIN: 07318672)**

MANAGEMENT'S DISCUSSION & ANALYSIS

ECONOMIC CONDITION

United Nations, The International Monetary Fund (IMF) has reaffirmed that India will be the fastest growing major economy in 2018, with a growth rate of 7.4 per cent that is expected to rise to 7.8% in 2019 with medium-term prospects remaining positive. The IMF's Asia and Pacific Regional Economic Outlook report stated that India was recovering from the effects of demonetization and the introduction of Goods and Services Tax (GST) and the "recovery is expected to be underpinned by a rebound from transitory shocks as well as robust private consumption." Medium-term consumer price index inflation "is forecast to remain within but closer to the upper bound of the Reserve Bank of India's inflation-targeting banda of four per cent with a plus or minus two per cent change, the report said.

However, it added a note of caution: "In India, given increased inflation pressure, monetary policy should maintain a tightening basis". It is said the consumer price increase in 2017 was 3.6% and projected it to be five per cent in 2018 and 2019.

BUSINESS OVERVIEW

India's world beating growth in the Iron & Steel Industry has become legendary in growth during the past few years. It is expected that India has the caliber to beat Japan at the global level and it is expected that the Global Steel Industry is poised for stable growth in 2018. Meanwhile, the World Economic Outlook recently brought out by IMF has predicted a reasonably good growth in global GDP of 3.9% and this would be fuelled by GDP growth of 7.4% in India. The Company has reposed confidence and is fully supportive of the initiatives undertaken by the Honorable Prime Minister of the Country Mr. Narendra Modi (Captain of the Indian Economy). The Company took inspiration from a myriad of policies developed for social reforms in the Indian Society and is committed towards achieving its main objective of manufacturing and trading of iron and steel related products. The Company shall strive to achieve better results by every passing year and shall make sure that the ambition and dream of becoming unbeatable and a known brand comes to reality as soon as possible.

PERFORMANCE

During the year, the Income of the Company amounted to Rs. 1858.72 (in '00000) in comparison to the Income of the last year which amounted to Rs. 574.96 (in '00000). Your Company earned a profit after tax during the year amounted to Rs. 7.74 (in '00000) in comparison to last year's profit which amounted to Rs. 4.13 (in '00000).

OUTLOOK

Global economy continues to grow, albeit at a slow pace. The industrial activities across major regions remain subdued despite sustained monetary easing. Prime Minister's Demonetization policy and with the launch of Goods and Service Tax (GST), both these major initiatives have contributed to an appreciable adverse effect on the market conditions. The position of the company is stable and progressive. The Company will definitely make innovative strategic approach which will enable it to deliver increasingly stable returns to its stakeholders, irrespective of monetary cycles. The Government's endeavor to drive a bigger as well as a cleaner GDP is expected to augur well for the economy in medium and long term. Growth is increasing, making India the fastest-growing G20 economy.

RISK AND CONCERNS

The Company is well versed with the fact that success cannot be achieved without invoking risks. Risk is one major factor that cannot be ignored or taken lightly and because of the uncertainty in the Business Environment of not only the internal as well as external factors that contribute and have a great impact on a Company's working: the Company is making all possible endeavors to minimize risks and take required steps to fight it. 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. Every personnel should be responsible for communicating upwards: problems in operations, non-compliance with the code of conduct or other policy violations or illegal actions. The Company makes sure that the Management, Board of Directors, Auditors, Audit Committee and the Operating Staff contribute their

100% in maintaining the internal control system in a healthy way and do not perform blatant abuse of power. 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.

Moreover, the Internal Auditor also contributes in the best way possible the means to achieve the policies and plans formulated for the purpose of maintaining robust and innovative Internal Control System.

HUMAN RESOURCE CAPITAL

The 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 high level of skills and professionalism of its people and makes continuous endeavors to improve their efficiency through training and reward programs. Last year, the focus was primarily on implementing sustainable leadership and succession planning strategies for building a collaborative work culture.

FORWARD LOOKING STATEMENT

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since, these are based on certain assumptions, presumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required by law.

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

A Company owes its success not only to the hard work of its management and staff or to the luck factor but also to the valuable trust which is reposed by the customers and stakeholders. Following good ethical practice undoubtedly helps in the branding of a business and also sets an example in the society. We have a defined policy framework for ethical conduct of business.

We here at *Rakan Steels Limited* feel that Corporate Governance is all about maintaining a worthy relationship and trust with all the stakeholders. We consider stakeholders as partners in our success and we also remain committed to maximizing stakeholder's value be it the shareholders, employees, suppliers, customers, investors, communities or esteemed policy makers. This approach to value creation emanates from our belief that sound governance system, based on trust and relationship is integral and pre-requisite to creating enduring value for one and all. Moreover, this report is prepared in accordance with the provisions specified under the *SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 (Listing Regulations)* and the report contains the details of Corporate Governance system and processes at *Rakan Steels Limited*.

1. Board of Directors

(a) Composition:-

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. The Board of Directors comprises of seven directors, one of whom is the Managing Director.

b) Category and attendance of each director at the Board meetings and the last AGM:-

Name	DIN	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	Shareholding in the Company
Mr. Kannan Agarwal	07318672	Managing Director-(Executive Director)	6	Yes	NIL
Mrs. Kashish Grover	07901658	Executive Director	2	Yes	27300
Mr. Sandeep Agarwal	02957566	Executive Director	6	Yes	81315
Mrs. Bindu Agarwal**	01578595	Additional Director	3	Yes	81950
Mr. Uma Shanker Dixit	02145858	Non-Executive Director-(Independent)	6	No	NIL
Mr. Mahendra Bahadur Singh	03550534	Non-Executive Director-(Independent)	6	Yes	NIL

Ms. Radhika Bansal	07989800	Non-Executive Director-(Independent)	1	No	NIL
Mr. Amit Verma***	07810322	Non-Executive Director-(Independent)	3	No	NIL

** Mrs. Bindu Agarwal was appointed as an Additional Director with effect from August 14, 2018.

*** Mr. Amit Verma resigned from the Company with effect from November 13, 2017.

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. Kannan Agarwal	Nil	Nil	Nil
Mrs. Kashish Grover	Nil	Nil	Nil
Mr. Sandeep Agarwal	Nil	Nil	Nil
Mr. Uma Shanker Dixit	Nil	Nil	Nil
Mrs. Bindu Agarwal	Rajvardhan Agencies Private Limited	Nil	Nil
Mr. Mahendra Bahadur Singh	Nil	Nil	Nil
Mr. Amit Verma**	Nil	Nil	Nil
Ms. Radhika Bansal	Nil	Nil	Nil

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

DATE	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
MAY 2, 2017	5	5
MAY 30, 2017	6	6
JUNE 28, 2017	6	6
AUGUST 9, 2017	5	5
NOVEMBER 13, 2017	5	5
FEBRUARY 14, 2018	6	6

The agenda and notes were circulated to the Directors in advance. All material information was included in the agenda for facilitating meaningful discussions and deliberations at the meeting. The Board was updated on the discussions held at the Committee meetings and the recommendations made by various Committees. Decisions taken at the Board/Committee meetings were duly communicated to the concerned departments. The outcome of the meetings

was filed punctually with the MSEI, financial results whether Audited or Un-audited were printed in the newspapers and simultaneously updated on the website of the Company. The minutes were approved by the Board/Committee as per the guidelines of the Secretarial Standards issued by the ICSI. The Board periodically reviewed the Compliance report pertaining to all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify the instances of non-compliance.

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, Mr. Sandeep Agarwal, Director, is liable to retire by rotation and offers himself for re-appointment, considering the fact that all the other directors are Independent and Mr. Kannan Agarwal being the Managing Director is not liable to retire by rotation; subject to approval of members in the ensuing Annual General Meeting.

2. COMMITTEES OF THE BOARD

A) 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	5	5
Mrs. Kashish Grover	Member	5	2
Ms. Radhika Bansal	Member	5	1

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

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
MAY 2, 2017	2	2
MAY 30, 2017	3	3
AUGUST 9, 2017	3	3
NOVEMBER 13, 2017	3	3
FEBRUARY 14, 2018	3	3

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

B) 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	3	3
Mr. Mahendra Bahadur Singh	Member	3	2
Ms. Radhika Bansal	Member	3	0

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

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
MAY 2, 2017	2	2
AUGUST 8, 2017	3	3
NOVEMBER 13, 2017	3	3

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.

C) SHARE TRANSFER AND INVESTORS GRIEVANCE 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. Mahendra Bahadur Singh	Chairman	1	1
Mrs. Kashish Grover	Member	1	1
Ms. Radhika Bansal	Member	1	1

iii. Details of Share Transfer & Investors Grievance Committee Meetings held during the year under review:-

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
FEBRUARY 14, 2018	3	3

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.

3. DETAILS OF REMUNERATION PAID 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 Directors for the year under review:-

Name of the Director	Salary	Commission	Performance linked bonus	Perquisites and Contribution to Provident Fund
Mr. Kannan Agarwal (Managing Director)	900000	-	-	-
Mrs. Bindu Agarwal	375000	-	-	-
Mr. Sandeep Agarwal	900000	-	-	-
Mr. Mahendra Bahadur Singh	-	-	-	-
Mr. Umashanker Dixit	-	-	-	-
Mrs. Kashish Grover	525000	-	-	-
Ms. Radhika Bansal	-	-	-	-

4. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Venue
2014-2015	30.09.2015	11:00 A.M.	Top Floor, Anand Palace, 10/499, Allen Ganj, Kanpur-208002.
2015-2016	30.09.2016	11:00 A.M.	77/39, Coolie Bazar, Kanpur -208001.
2016-2017	28.07.2017	11:00 A.M.	NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311

(ii) The details regarding Special Resolution passed in the previous Three Annual General Meetings:-

Financial Year	Special Resolution
2014-2015	No
2015-2016	<ol style="list-style-type: none"> 1. Shifting of the Registered Office of the Company from 77/39, Coolie Bazar, Kanpur-208001 to NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311. 2. Approval to enter into Related Party Transaction with "Rakan Group of Institutions".
2016-2017	No

5. STATUS OF ADOPTION OF MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

6. MEANS OF COMMUNICATION

The Board recognizes the importance of two-way communication with the shareholders, giving a balanced report of results and progress and also responding to the questions and issues raised. The Company ensures that the complaints of its shareholders are responded to promptly.

- **WEBSITE:** Shareholding Patterns and Financial results are furnished to the Stock Exchange and are also uploaded on the website "www.rakansteels.co.in" of the Company. The Company's official news releases are displayed on the Company's website

as per the requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- **ANNUAL REPORT:** The Annual Report containing, *inter alia*, Audited financial Statements, Board's Report, Auditor's Report and other important information is circulated to the members and others entitled thereto. The Management's Discussion & Analysis Report forms part of the Annual Report. The Company's Annual Report is also available in downloadable form on the Company's website.
- **QUARTERLY RESULTS:** The Company's quarterly/half-yearly/annual financial results are sent to the Stock Exchange and published in the newspapers. Simultaneously, they are also put up on the Company's website.
- **MSEI CORPORATE COMPLIANCE & LISTING CENTRE:** MSEI's Listing Centre is a web-based application designed for corporate. All periodical compliance filings like shareholding pattern, statement of investor complaints etc. are also filed electronically on the Listing Centre for easy access of all the stakeholders worldwide.
- **SEBI COMPLAINTS REDRESS SYSTEM (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online reviewing by investors of actions taken on the complaint and its current status.

7. GENERAL SHAREHOLDER INFORMATION

AGM : Date, Time & Venue	September 29, 2018 (11:00 a.m.) at NH-2 (1 km from Bara Toll Plaza), Umran, Rania , Kanpur Dehat -209311.
Financial year	The Financial year under the review covers the following period 01/04/2017 - 31/03/2018
Date of Book Closure	22/09/2018 - 29/09/2018
Listing on Stock Exchange	Metropolitan Stock Exchange of India Limited (MSEI/MCX)
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 E-mail: info@skylinerta.com
Share Transfer System	All the transfers received are processed by the Registrar & Transfer Agent.

Distribution of Shareholding and Shareholding Pattern as on 31.03.2018	Please see 'Annexure B' to the Director's Report
Dematerialization of Shares and Liquidity	36.238% of the paid capital is dematerialized as on March 31, 2018
Address for correspondence	Corp. Office: 77/39, Coolie Bazaar, Kanpur-208001, Uttar Pradesh Email Id. : support@rakansteels.co.in Mob. : (+91) 9598668666, 9129128786, 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 all the Corporate entities 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 partner in 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 uplifting 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 honorable Ministry of Corporate Affairs.

10. BOARD LEADERSHIP

It is our belief that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board's actions and decisions are aligned with the Company's best interests. The Company has taken an

inspiration from various policies and practices described or undertaken by other elite companies and tried to create certain defined guidelines and an established framework for the meetings of the Board and the Committees. These guidelines tend to systematize decision-making process at various meetings in an informed and efficient manner.

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board review *inter alia* includes strategic review from each of the Committees, a detailed analysis and review of annual operating plans, capital allocation and budgets. Additionally, the Board reviews risks and its mitigation measures, financial reports and business reports from different departments. Frequent and detailed deliberation sets the agenda and provides the strategic roadmap for the Company's future growth.

11. ETHICS/GOVERNANCE POLICIES

The Company strives to conduct business and strengthen the relationship with stakeholders in a manner that is dignified, distinctive and responsible. We adhere to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all the stakeholders. Therefore, we have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:-

- Code of Conduct
- Code of Conduct for Prohibition of Insider Trading
- Vigil Mechanism and Whistle-blower policy
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- Policy for selection of Directors and determining Director's independence
- Remuneration policy for Directors, Key Managerial Personnel and other employees
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Policy for preservation of documents
- Policy on Determination and Disclosure of Materiality of Events and Information and the Web Archival Policy

12. ROLE OF THE COMPANY SECRETARY IN OVERALL GOVERNANCE PROCESS

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and the Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advice the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to directors and

to facilitate convening of meetings. She interfaces between the management and regulatory authorities for governance matters.

13. MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during the financial year 2017-2018 held on March 30, 2018 without the presence of the Executives. The meeting was conducted to enable the Independent Directors to discuss the matters pertaining to the Company's affairs and put forth their views about the working of the Company and the Board along with the Committees.

14. RECORDING MINUTES OF PROCEEDINGS AT BOARD & COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board and Committee meeting. Draft minutes are circulated to Board/Committee members for their comments as prescribed under the guidelines of Secretarial Standard-1 issued by the ICSI. The minutes are entered in the Minutes Book within 30 days from the conclusion of the meeting.

15. COMPLIANCE

The Company Secretary, while preparing the agenda, notes on agenda and minutes of the meetings is responsible for and is required to ensure adherence to all applicable laws and regulations, including the Companies Act, 2013 read with rules issued there under, Listing Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

Date: 14/08/2018

Place: Kanpur

KANNAN AGARWAL

(Managing Director)

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors take immense pleasure in presenting the Annual Report together with the Audited Financial Statements on the business and operations of the Company for the financial year ended on March 31, 2018.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2018 is summarized below:-

	2017-2018 (Rs. in '00000)	2016-2017 (Rs. in '00000)
Income	1858.72	574.96
Profit/(Loss) before interest & dep.	57.2	30.99
Less:		
Interest	34.66	13.75
Depreciation & Amortization	13.02	11.59
Profit/(Loss) Before Tax	9.52	5.65
Provision for Taxation	1.50	1.00
Deferred Tax	-0.92	0.52
Adjustment related to Previous Year	1.20	-
Net Profit	7.74	4.13

SUMMARY OF OPERATIONS

During the year, the Income of the Company amounted to Rs. 1858.72 (in '00000) in comparison to the Income of the last year which amounted to Rs. 574.96 (in '00000). Your Company earned a profit during the year amounted to Rs. 7.74 (in '00000) in comparison to last year's profit which amounted to Rs. 4.13 (in '00000).

AUDITORS

M/s Maneesh Avneesh & Company, Chartered Accountant (FRN: 008433C) conducted the statutory audit of the Company for the financial year 2017-2018.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to the resolution passed at the 30th Annual General Meeting of the Company, the office of M/s Maneesh Avneesh & Company is liable to be ratified by the shareholders in the upcoming Annual General Meeting of the Company. Hence, at the ensuing Annual General Meeting the ratification of Auditors is proposed for the consent of the members of the Company. Accordingly, resolution for their appointment is placed before the shareholders for their approval as an Ordinary Resolution.

DIVIDEND

In the view to conserve the financial resources of the Company for meeting the 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 the management and take-over of the Company.

SHARE CAPITAL

There was no change in the Company's share capital during the year under review.

RISK MANAGEMENT

The Company's robust risk management framework identifies and evaluates business risks and opportunities. The Company recognizes that these risks need to be managed and mitigated to protect the shareholders and other stakeholder's interests in order to achieve its business objectives and enable sustainable and long-term growth. Risk management is embedded in our critical business activities, functions and processes. The Company believes that the overall risk exposure of present and future risks remains within risk capacity. Since, the business environment is always uncertain and

unpredictable therefore, the vigilance of not only the management but also the employees is of utmost importance.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has a suitable and adequate Internal Control System which indeed is commensurate with the size, scale and complexity of its operations. Internal control systems are integral to Company's corporate governance framework. Some significant features of internal control system are:-

- Adequate documentation of policies, guidelines, authorities and approval procedures covering all the important functions of the Company.
- Ensure complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the integrity of the accounting system; proper and authorized recording and reporting of all transactions.
- Ensuring reliability of all financial and operational information.
- Audit Committee of Board of Directors, comprising of Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards etc.
- 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.

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

SECRETARIAL STANDARDS

The Directors state that the applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to Meetings of the 'Board of Directors' and 'General Meetings' respectively have been duly followed by the Company.

PARTICULARS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

Details pursuant to Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

S. No.	Requirement of Rule 5(1)	Disclosure
1	The ratio of remuneration of each director to the median remuneration of the employees for the financial year.	Mr. Kannan Agarwal, Mr. Sandeep Agarwal and Mrs. Kashish Grover are drawing a salary of Rs. 75000/- per month which is 0.25 Times of the median remuneration of the employees (including KMPs) for the financial year.
2	Percentage increase in remuneration of each director, CFO, CEO, CS or Manager in the financial year.	Percentage increase in remuneration of: a) Directors:- 50% b) MD:- 50% c) CFO:-N/A d) CEO:- N/A e) Company Secretary:-N/A
3	The percentage increase/decrease in the median remuneration of employees in the financial year.	% decrease in the median remuneration of employees in the financial year: 8.15%
4	The number of permanent employees on the rolls of the Company	There were 17 employees on the rolls of the Company as on March 31, 2018.
5	The explanation on the relationship between average increase in remuneration and company	Company has made a profit of Rs. 7.74 (in '00000) as compared to last year's profit of Rs. 4.13 (in '00000). There has been a

	performance.	moderate increase in the remuneration of employees as compared to the performance of the Company.
6	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.	The total remuneration paid to KMP's (MD, CFO and CS) was approx 1.45 times of the Net Profit for the FY 2017-2018 which was based on the terms of the service contract which must be paid for availing their services.
7	Variations in the Market Capitalization of the Company, price earnings ratio as at the closing date of the current FY and percentage increase over decrease on the market quotations of the shares of the company in comparison to the rate at which the Company came out with the last public offer.	Variations in the market capitalization: Market Capitalization as on : 31.03.2017=Rs. 32400000 31.03.2018=Rs. 32400000 Price Earnings Ratio (Price/EPS):- As on 31.03.2017=Rs. 0.13 As on 31.03.2018=Rs. 0.24 There is no increase in the share price of the Company.
8	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-2017 and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	NO
9	Comparison of remuneration of every Key Managerial Personnel against the performance of the Company.	Comparison of remuneration of every Key Managerial Personnel against the performance of the Company:- MD:- 94.51% (of the Net Profit) CFO:- 31.50% (of the Net Profit) CS:- 18.90% (of the Net Profit)
10	The key parameters for any variable component of Remuneration availed by the Directors.	The Company was not paying variable component of remuneration to any Director during the year.
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors	N/A

12	Affirmation that the remuneration is as per the remuneration policy of the Company	We affirm that the remuneration paid to employees and KMPs was based on the Remuneration Policy.
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A) Details of every employee of the Company as required pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:-

- Drawing salary of 60 Lakhs or above for the Year, if employed throughout the year- NIL
- Drawing salary of 5 Lakhs p/m or above for a month, if employed for part of the year- NIL
- Drawing salary more than the salary of MD and having 2% stake in the Company- NIL

B) No Managing Director or Whole-Time Director of the Company is receiving any commission from the Company as well as from the Holding Company or Subsidiary Company of the Company.

INTERNAL FINANCIAL CONTROLS

As per Section 134(5)(e) of the Companies Act, 2013, the Directors have an overall responsibility for ensuring that the Company has implemented a robust system and framework of Internal Financial Controls which in turn is in line with the changing business environment and operational needs and is also innovative and updated as and when the need of the hour be. This framework provides the Directors with a reasonable assurance regarding the adequacy and operating effectiveness of controls with regard to reporting, operational and compliance risks. The Company has in place adequate internal financial controls with reference to financial statements. The Company has devised appropriate systems and framework including proper delegation of authority, risk based internal audits, risk management framework and whistle blower mechanism.

During the year, such controls were tested and no reportable material weaknesses in the design or operation was observed. We believe that these systems provide reasonable assurance that our internal financial controls are designed effectively and are operating as intended.

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

There are a total of 17 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

Industrial relations are of paramount importance in every organization and maintaining them with ease and poise is a very difficult task. Our Company gives equal importance to maintain industrial relations and keeping them at par with other stakeholder relationships. 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. The Management has always been gracious about its employees and workers. They take every possible measure and endeavor to maintain sincere, healthy and friendly relations with the lower and middle level employees.

DIRECTORS

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

During the year, Mr. Amit Verma rendered his resignation from the directorship of the Company in the duly convened Board meeting held on November 13, 2017 and which was taken on record by the Board of Directors and Ms. Radhika Bansal was appointed as an Additional Director on the Board on the same day. Ms. Radhika Bansal is eligible to hold office as a Director up to the date of the ensuing Annual General Meeting of the Company and resolution annexed in the Notice of the Annual General Meeting seeks for Shareholder's approval with respect to her regularization at this Annual General Meeting.

In the duly convened Board Meeting held on August 14, 2018 the Board of Directors had accorded their valuable consent for the appointment of Mrs. Bindu Agarwal as an Additional Director of the Company in the Executive category. Mrs. Bindu Agarwal is eligible to hold office as a Director up to the date of the ensuing Annual General Meeting of the Company and resolution annexed in the Notice of the Annual General Meeting seeks for Shareholder's approval with respect to her regularization at this Annual General Meeting.

In the ensuing Annual General Meeting of the Company Mr. Sandeep Agarwal being an Executive Director of the Company whose office is subject to retire by rotation as per the provisions of Section 149 & 152 of the Companies Act, 2013. He, being eligible for re-appointment offers himself for the same.

AUDITOR'S REPORT

The observation as per Auditor's Report is self-explanatory and does not call for any further clarification from the directors. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

CORPORATE GOVERNANCE

As the Company is required to comply with the clauses 17 to 27 as applicable of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 confirming the compliance of Corporate Governance, it forms part of the Annual Report. It is also pertinent to mention that the Company is not required to file the Corporate Governance Report as per Regulation 27(2) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as it does not fall into the criteria prescribed in the regulations.

BOARD EVALUATION

The Company has devised a Policy for performance evaluation of the Board, Committees and other individual Directors (including Independent Directors) which include criteria for performance evaluation of Non-Executive Directors and Executive Directors. The Evaluation process *inter alia* considers attendance of Directors at Board and Committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy.

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, Nomination & Remuneration and Investor Grievance Committees. A structured questionnaire was prepared after taking into consideration the 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 judgment, 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.

The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Managing director. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each committee was evaluated by the Board, based on report on evaluation received from respective Committees.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and the feedback was given to the concerned directors.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each of the Independent Directors, under Section 149(7) of the Companies Act, 2013 that he/she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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 the employees in the course of day to day business operations of the Company. The code laid down by the Board is known as the “**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 at 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. The whole Management Staff was 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 to be headed by the Chairman of the Audit Committee who shall also 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 Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations and in order to maintain these standards, the Company encourages its employees who have genuine concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. The Whistle Blower Policy/ Vigil Mechanism also provide safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee. 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 have taken place during the year under review.

(a) Name(s) of the related party and nature of relationship:- N/A

(b) Nature of contracts/arrangements/transactions:- N/A

(c) Duration of the contracts / arrangements/transactions:- N/A

(d) Salient terms of the contracts or arrangements or transactions including the value, if any:- N/A

(e) Justification for entering into such contracts or arrangements or transactions:- N/A

(f) Date(s) of approval by the Board:- N/A

(g) Amount paid as advances, if any:- N/A

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188:- N/A

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	0.00 50,00,000.00 0.00	1,95,076.00 (Cr)
2.	Kannan Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	0.00 2,30,458.00 49,366.00	3,13,585.00 (Cr)
3.	Sandeep Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	28,63,000.00 83,30,000.00 2,53,288.00	6,77,619.00 (Cr)
4.	Sandeep Agarwal (HUF) (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	87,572.00	8,08,574.00 (Cr)
5.	Sandeep S Gupta (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	39,338.00	3,63,211.00 (Cr)
6.	Sanjeev Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	9,268.00	85,567.00 (Cr)
7.	Shilpa Gupta	Unsecured Loans		2,54,064.00 (Cr)

	(Relative of Key Managerial Personnel)	-Interest Paid	27,516.00	
8.	Surendra Mohan Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	2,404.00	22,433.00 (Cr)
9.	Vaibhav Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	4,914.00	45,848.00 (Cr)
10.	Bindu Agarwal (Director, Key Managerial Personnel)	Director Remuneration	3,52,500.00	NIL
11.	Sandeep Agarwal (Director, Key Managerial Personnel)	Director Remuneration	8,77,500.00	6,56,765.00(Cr)
12.	Kannan Agarwal (Director, Key Managerial Personnel)	Director Remuneration	8,77,500.00	1,89,674.00(Cr)
13.	Kashish Agarwal (Director, Key Managerial Personnel)	Director Remuneration	5,75,000.00	2,31,050.00(Cr)
14.	Rajvardhan Agencies Pvt. Ltd.	Sale Purchase	7,77,03,501.00 39,63,007.00	2,53,59,492.00 (Cr)

15.	S P Industries	Rent	1,74,000.00	27,85,421.00
		Sale	87,30,545.00	(Dr)
16.	Shree Radha Industries	-	-	8,15,084.00 (Cr)
17.	Shree Radha Udyog	Sale	7,04,07,758.00	1,08,01,566.00
		Purchase	2,44,68,929.00	(Dr)
		Rent	3,00,000.00	
18.	Aditi Agarwal	CFO Remuneration	4,80,000.00	600.00(Dr)

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

The Board had appointed Mr. Sameer Shukla, Practicing Company Secretary, to conduct the Secretarial Audit for the Financial Year 2017-2018. Therefore, as per the requirement of Section 204(1) of the Companies Act, 2013, the Company has obtained a Secretarial Audit Report from the Secretarial Auditor in the prescribed format. The format is attached as “Annexure A” to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

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”

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no such transactions on these items during the year under review:-

- Details relating to deposits covered under Chapter V of the Act.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.

- Issue of shares (including sweat equity shares) to employees of the Company under any scheme or even as Employee's Stock Option Plan.
- The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

ACKNOWLEDGEMENT

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation and gratitude for the committed services by the Company's executives, staff and workers.

By the Order and on behalf of the Board of Directors

For RAKAN STEELS LIMITED

DATE: 14/08/2018

PLACE: KANPUR

SD/-

**KANNAN AGARWAL
(MANAGING DIRECTOR)**

DIN: 07318672

SD/-

**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, 2018.

By the Order and on behalf of the Board of Directors

For RAKAN STEELS LIMITED

DATE: 14/08/2018
PLACE: KANPUR

SD/-
KANNAN AGARWAL
(MANAGING DIRECTOR)
DIN: 07318672

STATUTORY AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of,
Rakan Steels Limited
NH-2 (1 km from Bara Toll Plaza),
Umran, Rania,
Kanpur Dehat-209311

We have examined the conditions of Corporate Governance as complied by Rakan Steels Limited for the year ended on 31st March, 2018 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: 14/08/2018

For Maneesh Avneesh & Co.

SD/-
(Partner: Avneesh Srivastava)
(FRN: 008433C)
(M.N- 402380)

CEO/CFO CERTIFICATION

I, Kannan 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, 2018 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).

Date: 30/05/2018

Place: Kanpur

SD/-

Kannan Agarwal
(Managing Director)
(DIN: 07318672)

SD/-

Rachit Agarwal
(Chief Financial Officer)
(PAN: BXTPA6788G)

ANNEXURE "A" TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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
NH-2 (1 km from Bara Toll Plaza)
Umran, Rania,
Kanpur Dehat-209311

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, 2018 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, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under- (NA)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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, 2015;
 - (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.
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (not applicable to the company during the Audit period);
- (b) 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);
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt

- Securities) Regulations, 2008 (not applicable to the company during the Audit period);
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (not applicable to the company during the Audit period)and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the company during the Audit period);
- (f) 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.
- (ii) The Listing Agreements entered into by the Company with Metropolitan Stock Exchange of India Limited (MSEI/MCX).
- (iii) SEBI (Listing Obligations & Disclosure Requirements) Regulations, 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 labor 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.

Date: 30/05/2018

Place: Kanpur

SD/-
Sameer Shukla
(Membership No. A32715)
(C.P. No. 12078)

"ANNEXURE-A" TO THE SECRETARIAL AUDIT REPORT

To,
The Members,
Rakan Steels Limited
NH-2 (1 km from Bara Toll Plaza)
Umran, Rania,
Kanpur Dehat-209311

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.

Date: 30/05/2018

Place: Kanpur

SD/-
Sameer Shukla
(Membership No. A32715)
(C.P. No. 12078)

ANNEXURE “B” TO THE DIRECTOR’S REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2018

[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	NH-2 (1 km from Bara Toll Plaza) Umran, Rania, Kanpur Dehat-209311 Tel : 9598668666 Fax : 0512-2544025
6.	Whether a Listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D-1 53 A, 1 st Floor, Okhla Industrial Area, Phase-1, New Delhi-110020 Tele.: 011-26812682;011-26812683

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:-

S. No.	Name and Description of main products / services	% to total turnover of the company
1.	Iron and Steel Products	97.10

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
NIL	NIL	NA	NA	NA	NA

i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	504255	504255	15.56	-	504255	504255	15.56	-
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	963345	963345	29.73	40000	923345	963345	29.73	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	500	624261	624761	19.28	200	624261	624461	19.27	(0.01)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	178176	-	178176	5.5	151176	-	151176	4.67	(0.83)
c) Others (HUF)	-	13997	13997	0.43	-	13997	13997	0.43	-
Sub-total (B)(2):-	178676	1601603	1780279	54.95	191376	1561603	1752979	54.10	(0.84)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	178676	2105858	2284534	70.51	191376	2065858	2257234	69.67	(0.84)

C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	865742	2374258	3240000	100	1174142	2065858	3240000	100	NIL

ii) Shareholding of the Promoters

S. No.	Shareholder's Name	Shareholding in 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	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Surendra Mohan Agarwal	243100	7.50	0	243100	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	87501	2.70	0	87501	2.70	0	0.00
6.	Sandeep Agarwal	81315	2.51	0	81315	2.51	0	0.00
7.	Kashish Grover	-	-	0	27300	0.84	0	0.84
8.	Kannan Agarwal	-	-	0	-	-	0	0.00
9.	Rajvardhan Agencies Private Limited	268300	8.28	0	268300	8.28	0	0.00
	TOTAL	955466	29.49	0	982766	30.33	0	(0.84)

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

S. No.	Shareholder's Name	Shareholding in 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	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Surendra Mohan Agarwal	243100	7.50	0	243100	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	87501	2.70	0	87501	2.70	0	0.00
6.	Sandeep Agarwal	81315	2.51	0	81315	2.51	0	0.00
7.	Kashish Grover	-	-	0	27300	0.84	0	0.84
8.	Kannan Agarwal	-	-	0	-	-	0	0.00
9.	Rajvardhan Agencies Private Limited	268300	8.28	0	268300	8.28	0	0.00
	TOTAL	955466	29.49	0	982766	30.33	0	(0.84)

iv) Shareholding Pattern of top ten shareholders other than Directors, Promoters and Holders of GDRs and ADRs

S. 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.	Mahendra Girdhari Lal	150876	4.66	30176	-	-	120700	3.73	Shares were sold (through an off market transaction.)
2.	Success Vyapar Limited	142800	4.41	0	0	-	142800	4.41	-
3.	Raghuvansh Agro Farms Limited	131774	4.07	0	0	-	131774	4.07	-
4.	3A Capital Services Limited	126600	3.91	0	0	-	126600	3.91	-
5.	Vasundhara Capital and Securities Ltd.	119300	3.68	0	0	-	119300	3.68	-
6.	Bank Of Baroda	95300	2.94	0	0	-	95300	2.94	-
7.	BOI Finance Limited	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 Private Limited	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

S. 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.	Mr. Sandeep Agarwal	Director	81315	2.51	81315	2.51
2.	Mrs. Kashish Grover	Director	27300	0.84	27300	0.84

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	12210058	-	12210058
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ ii + iii)	-	12210058		12210058
Change in Indebtedness during the financial year				
· Addition	47831030	-	-	47831030
· Reduction	-	9639157	-	9639157
Net Change	47831030	9639157	-	38191873
Indebtedness at the end of the financial year				
i) Principal Amount	47831030	2570901	-	50401931
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ ii+ iii)	47831030	2570901	-	50401931

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

S. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Kannan Agarwal Mr. Sandeep Agarwal Mrs. Kashish Grover Mrs. Bindu Agarwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	75000/- per month 75000/- per month 75000/- per month (7 months) 75000/- per month for 5 months	900000 900000 900000 375000
	(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)	75000/- per month 75000/- per month 75000/- per month 7 months 75000/- per month for 5 months	900000 900000 900000 375000

B. Remuneration to other Directors

S. 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

S. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary	-	180000	300000	480000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	15000/- 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	-	180000	300000	480000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

NONE



MANEESH AVNEESH & COMPANY

(CHARTERED ACCOUNTANTS)

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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, 2018, 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.



MANEESH AVNEESH & COMPANY

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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, 2018, 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.

**MANEESH AVNEESH & COMPANY**

(CHARTERED ACCOUNTANTS)

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-
- e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 **MANEESH AVNEESH & COMPANY**

Chartered Accountants

FRN: 008433C

SD/-

AVNEESH SRIVASTAVA

(Partner)

M.No.: 402380

Place: Kanpur.

Dated: 30.05.2018



MANEESH AVNEESH & COMPANY

(CHARTERED ACCOUNTANTS)

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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, 2018, 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



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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 31.03.2018 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.

**MANEESH AVNEESH & COMPANY**

(CHARTERED ACCOUNTANTS)

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- 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.

For **MANEESH AVNEESH & COMPANY**

Chartered Accountants

FRN: 008433C

SD/-**AVNEESH SRIVASTAVA**

(Partner)

M.No.: 402380

Place: Kanpur.

Dated: 30.05.2018



MANEESH AVNEESH & COMPANY

(CHARTERED ACCOUNTANTS)

Off: 310, Plaza Kalpana, Birhana Road,
Kanpur-208001

Phone: 9984169645, 9839504292

E-mail: avneesh11@rediffmail.com

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/sRakan Steels Limited** ("the Company") as of 31 March, 2018 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.



MANEESH AVNEESH & COMPANY

(CHARTERED ACCOUNTANTS)

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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 period 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, 2018, 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.

For **MANEESH AVNEESH & COMPANY**

Chartered Accountants

FRN: 008433C

SD/-

AVNEESH SRIVASTAVA

(Partner)

M.No.: 402380

Place: Kanpur

Date: 30.05.2018

RAKAN STEELS LIMITED**BALANCE SHEET****AS AT 31ST MARCH 2018**

	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	5078267	6140459
Capital Work-in-Progress		0	0
Financial Assets			
Investments	2.2	0	0
Loan	2.3	0	0
Other Financial Assets	2.4	0	0
Deferred Tax Assets (Net)		177322	84402
Other Non-Current Assets	2.5	473667	473667
Current Assets			
Inventories	2.6	63264353	61837681
Financial Assets			
Investments	2.7	0	0
Trade Receivables	2.8	28668884	8077617
Cash and Cash Equivalents	2.9	1146632	1626946
Bank Balances other than Cash and Cash equivalents	2.10	0	0
Loans	2.11	0	0
Other Financial Assets	2.12	0	0
Current Tax Assets (Net)	2.13	0	0
Other Current Assets	2.14	737991	118057
TOTAL ASSETS		99547116	78358829
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.15	3,24,00,000	3,24,00,000
Other Equity	2.16	11550007	10775577
		43950007	43175577
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.17	50401931	12210058
Other Financial Liabilities	2.18	0	0
		50401931	12210058
Provisions	2.19	0	0
Deferred Tax Liabilities (Net)	2.20	0	0
Other Non-Current Liabilities	2.21	0	0
Current Liabilities			
Financial Liabilities			
Borrowings	2.22	0	0
Trade Payables-Total Outstanding Dues of	2.23	4599019	21754278
- Micro and Small Enterprises		0	0
- Creditors other than Micro and Small Enterprises		0	0
Other Financial Liabilities	2.24	300831	1073588
		4899850	22827866
Other Current Liabilities	2.25	0	0
Provisions	2.26	295328	145328
Current Tax Liabilities (Net)		0	0
TOTAL EQUITY AND LIABILITIES		99547116	78358829

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statements

In terms of our report on even date attached

For RAKAN STEELS LIMITED
CIN - L27320UP1985PLC007582For Maneesh Avneesh & co.
Chartered Accountants(Avneesh Srivastava)
Partner
M.No: 402380
FRNo.008433CKannan Agarwal
(Managing Director)
DIN: 07318672Sandeep Agarwal
(Director)
DIN: 02957566Place : Kanpur
Date : 30.05.2018Rachit Agarwal
(Chief Financial Officer)Garima Priyani
(Company Secretary)

RAKAN STEELS LIMITED**STATEMENT OF PROFIT & LOSS**

FOR THE YEAR ENDED 31ST MARCH 2018

	Note No.	Year Ended 31st March, 2018 Current Year	Year Ended 31st March, 2017 Previous Year
INCOME			
Revenue from Operations	3.1	185362275	54231248
Other Income	3.2	509751	3264574
Total Income (I)		185872026	57495822
EXPENSES			
Cost of Materials Consumed	3.3	0	0
Purchase of Stock-in-Trade	3.4	168366495	48218644
Changes in Inventories of Finished Goods, Wo	3.5	-1426672	-777411
Employees Benefits Expenses	3.6	1823178	1008000
Finance Costs	3.7	4051402	1433985
Depreciation and Amortisation Expenses	2.1	1302417	1158830
Other Expenses	3.8	10802976	5888325
Total Expenses (II)		184919796	56930373
Profit Before Exceptional Item and Tax		952230	565449
Exceptional Item		0	0
Profit Before Tax		952230	565449
Tax Expenses			
Current Tax		150000	100000
Tax Relating To Prior Period		120720	0
Deferred Tax		-92920	52175
Total Tax Expense		177800	152175
Profit for the Year (III)		774430	413274
OTHER COMPREHENSIVE INCOME	3.9		
Items that will not be considered to profit or loss		0	0
Items that will be considered to profit or loss			
Exchange differences on translating foreign operations		0	0
Less: Tax Effect on above		0	0
Other Comprehensive Income for the Year (IV)		0	0
Total Comprehensive Income for the Year (III+IV)		774430	413274
Earnings per Equity Share (Face Value Rs. 1 each)			
Basic (Rs.)		0.24	0.13
Diluted (Rs.)		0.24	0.13

Significant Accounting Policies

The accompanying Notes are an integral part of the Financial Statements

In terms of our report on even date attached

For Maneesh Avneesh & co.

Chartered Accountants

For RAKAN STEELS LIMITED

CIN - L27320UP1985PLC007582

(Avneesh Srivastava)

Partner

M.No: 402380

FRNo.008433C

Kannan Agarwal
(Managing Director)

DIN: 07318672

Sandeep Agarwal
(Director)

DIN: 02957566

Place : Kanpur

Date : 30.05.2018

Rachit Agarwal
(Chief Financial Officer)Garima Priyani
(Company Secretary)

RAKAN STEELS LIMITED**Cash Flow Statement For The Year Ended 31.03.2018**

Particulars	Year Ended 31.03.2018		Year Ended 31.03.2017	
A Cash Flow from Operating Activities				
Profit for the Year before tax & extraordinary items		952230		565449
<u>Adjustment for:</u>				
Depreciation	1302417		1158830	
Interest & Financial Charges	4051402	5353819	1433985	2592815
Operating Profit before Working Capital changes		6306049		3158264
<u>Adjustments for:</u>				
(Increase)/Decrease in Loans and Advances	0		-73500	
(Increase)/Decrease in Trade Recievables	-20591267		2409297	
(Increase)/Decrease in Inventory	-1426672		-777411	
(Increase)/Decrease in Current Assets	-619934		0	
Increase/(Decrease) in current Liabilities	-17928016		-4006557	
Less:-Direct Taxes Paid (Net)	-270720	-40836609		-2448171
Net Cash from Operating Activities		-34530560		710093
B Cash Flow from Investing Activities				
Purchase of fixed asset	240225	-240225	-432608	-432608
Purchase of investment	0	0	0	0
(Increase)/Decrease in Non Current Assets	0	0	0	0
Increase/(Decrease) in Non Current Liabilities	150000	150000	0	0
Net Cash from Investing Activities		-90225		-432608
C Cash Flow from Financing Activities				
(Payment)/ Receipt of Long Term Borrowing	38191873		1923399	
(Payment)/ Receipt of other Long Term Liabilities	0		0	
Interest and Financial Charges	-4051402		-1433985	
Dividends paid	0	34140471	0	489414
Net Cash from Financing Activities		34140471		489414
NET CASH FLOWS DURING THE YEAR(A+B+C)		-480314		766899
Cash and Cash Equivalent(Opening Balance)		1626946		860047
Cash and Cash Equivalent(Closing Balance)		1146632		1626946

For Maneesh Avneesh & co.
Chartered Accountants

For RAKAN STEELS LIMITED
CIN - L27320UP1985PLC007582

(Avneesh Srivastava)
Partner
M.No: 402380
FRNo.008433C

Kannan Agarwal
(Managing Director)
DIN: 07318672

Sandeep Agarwal
(Director)
DIN: 02957566

Place : Kanpur
Date : 30.05.2018

Rachit Agarwal
(Chief Financial Officer)

Garima Priyani
(Company Secretary)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st March, 2018

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2018

Balance as at 1st April, 2017	Changes in Equity Share Capital	Balance as at 31st March, 2018
3,24,00,000	-	3,24,00,000

B. OTHER EQUITY

	Reserves & Surplus				Other Comprehensive Income				Total
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Currency Translation Reserve	Effective Portion of Hedge Cash Flow	Other Items of Other Comprehensive Income	
As at 31st March 2018									
Opening Balance as at 1st April, 2017	14,000,000.00	800,000.00	1,589,220.00	-5,613,643.00	-	-	-	-	10,775,577.00
Profit for the year	-	-	-	774,430.00	-	-	-	-	774,430.00
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Capital Reserve	-	-	-	-	-	-	-	-	-
Capital Subsidy (effect under Ind AS to be seen)	-	-	-	-	-	-	-	-	-
Dividend (Including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year									
Exchange Difference on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-
Closing Balance as at 31st March, 2018	14,000,000.00	800,000.00	1,589,220.00	-4,839,213.00	-	-	-	-	11,550,007.00
	Securities Premium Reserve	General Reserve	Capital Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Currency Translation Reserve	Effective Portion of Hedge Cash Flow	Other Items of Other Comprehensive Income	Total
As at 31st March 2017									
Opening Balance as at 1st April, 2016	14,000,000	800,000	1,589,220	-6,026,917	-	-	-	-	10,362,303
Profit for the year	-	-	-	413,274	-	-	-	-	413,274
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Capital Reserve	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to General Reserve	-	-	-	-	-	-	-	-	-
Capital Subsidy (effect under Ind AS to be seen)	-	-	-	-	-	-	-	-	-
Dividend (Including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year									
Exchange Difference on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-
Closing Balance as at 31st March, 2017	14,000,000	800,000	1,589,220	-5,613,643	-	-	-	-	10,775,577

The accompanying Notes are an integral part of the Financial Statements

In terms of our report on even date attached

For Maneesh Avneesh & co.
Chartered AccountantsFor RAKAN STEELS LIMITED
CIN - L27320UP1985PLC007582(Avneesh Srivastava)
Partner
M.No: 402380
FRNo.008433CKannan Agarwal
(Managing Director)
DIN: 07318672
Sandeep Agarwal
(Director)
DIN: 02957566Place : Kanpur
Date : 30.05.2018Rachit Agarwal
(Chief Financial Officer)
Garima Priyani
(Company Secretary)

RAKAN STEELS LIMITED

Notes forming part of the Financial Statements

2.1 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	Gross Block				Depreciation			NET BLOCK	
	As at 1st	Additions	Deductions/ Derecognition	As at 31st	As at 1st	For the	As at 31st	As at 31st	As at 1st
	April, 2017			March, 2018	April, 2017	Year	March, 2018	March, 2018	April, 2017
Tangible Assets *									
Laboratory Equipment	1,513,225	5,240	-	1,518,465	418,505	493,929	912,434	606,031	1,094,720
Computer Peripherals	545,917	68,873	-	614,790	250,832	219,389	470,221	144,569	295,085
Buildings	3,408,464	-	-	3,408,464	96,412	161,297	257,709	3,150,755	3,312,052
Plant & Machinery	1,808,665	-	-	1,808,665	1,040,607	131,216	1,171,823	636,842	768,058
Office Equipments	233,281	63,008	-	296,289	96,500	114,146	210,646	85,643	136,781
Furniture & Fittings	131,650	103,104	-	234,754	33,100	48,693	81,793	152,961	98,550
Vehicles	1,229,628	-	-	1,229,628	843,019	121,163	964,182	265,446	386,609
Electrical Equipments	57,206	-	-	57,206	8,602	12,584	21,186	36,020	48,604
Turbine (Co Generation System along with Pressure Boiler)	-	-	-	-	-	-	-	-	-
Total Tangible Assets	8,928,036	240,225	-	9,168,261	2,787,577	1,302,417	4,089,994	5,078,267	6,140,459
Previous Year	3,035,788	432,608	5,459,640.00	8,928,036	1,628,747	1,158,830	2,787,577	6,140,459	1,407,041

2.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31st March, 2018	As at 31st March, 2017
Investments at Cost		
Investments in Equity instruments of Subsidiaries Unquoted		
Total Investments carried at cost	0	0
Investments at fair value through OCI (fully paid)		
Quoted Shares		
Unquoted Investments in Equity Shares	0	0
Quoted Investments in Mutual Funds	0	0
Investments carried at fair value through Other Comprehensive Income	0	0
Total Investments	0	0
Current	0	0
Non-Current	0	0
	0	0

2.3 NON-CURRENT FINANCIAL ASSETS - LOANS

	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, Considered Good unless otherwise stated)		
Loans to Related Parties	0	0
Other Loans	0	0
Loans to Employees	0	0
	0	0

2.4 NON-CURRENT FINANCIAL ASSETS - OTHERS

	As at 31st March, 2018	As at 31st March, 2017
Fixed Deposits with Banks with maturity more than 12 Months	0	0
	0	0

2.5 OTHER NON-CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017
Capital Advances for Purchase of Property, Plant and Equipment	0	0
Security Deposits	473667	473667
Other Advances (Deposit with Government Authorities, etc.)	0	0
	473667	473667

2.6 INVENTORIES

(Valued at lower of cost and net realizable value, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017
Raw Material	0	0
Finished Goods	63264353	61837681
Stock in Process	0	0
Packing Materials, Stores & Chemicals	0	0
	63264353	61837681

2.7 CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31st March, 2018	As at 31st March, 2017
Investments at fair value through FVTPL (fully paid)		
Quoted Shares	0	0
Quoted Investments in Mutual Funds	0	0
Investments carried at fair value through Other Comprehensive Income	0	0
Total Investments	0	0

2.8 TRADE RECEIVABLES

(Unsecured, unless otherwise stated)

	As at 31st March, 2018	As at 31st March, 2017
Considered Good	28668884	8077617
Doubtful	0	0
	28668884	8077617
Less: Impairment Loss	0	0
	28668884	8077617

2.9 CASH AND CASH EQUIVALENTS

	As at 31st March, 2018	As at 31st March, 2017
Cash in hand	922728	982572
Balances with Banks		
In Current Account	223904	644374
In Deposit Account - Original Maturity of 3 Months or Less	0	0
	1146632	1626946

2.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2018	As at 31st March, 2017
Deposits with Bank in Dividend Account	0	0
Bank Deposits (with maturity more than 3 months but less than 12 months)	0	0
	0	0

2.11 CURRENT FINANCIAL ASSETS - LOANS

	As at 31st March, 2018	As at 31st March, 2017
(Unsecured, Considered Good unless otherwise stated)		
Loans to Related Parties	0	0
Other Loans	0	0
Loans to Employees	0	0
	0	0

2.12 OTHERS FINANCIAL ASSETS

	As at 31st March, 2018	As at 31st March, 2017
Interest Accrued on Fixed Deposit	0	0
Cash Flow Hedges	0	0
	0	0

2.13 CURRENT TAX ASSETS (NET)

	As at 31st March, 2018	As at 31st March, 2017
Advance Income Tax (Net of Provision)	0	0
	0	0

2.14 OTHER CURRENT ASSETS

	As at 31st March, 2018	As at 31st March, 2017
Unsecured, Considered Good		
Advances to Suppliers	0	0
Prepaid Expenses	36443	0
Other Advances	701548	118057
	737991	118057

	As at 31st March, 2018	As at 31st March, 2017
2.151 Authorised		
55,00,000 Equity Shares of Re. 10/- each (Previous Year 55,00,000 Equity Shares of Re. 10/- each)	5,50,00,000	5,50,00,000
	<u>5,50,00,000</u>	<u>5,50,00,000</u>
	As at 31st March, 2018	As at 31st March, 2017
2.152 Issued, Subscribed and Fully Paid-up		
32,40,000 Equity Shares of Re. 10/- each (Previous Year 32,40,000 Equity Shares of Re. 10/- each)	3,24,00,000	3,24,00,000
	<u>3,24,00,000</u>	<u>3,24,00,000</u>

2.153 Reconciliation of the Number of Equity Shares Outstanding

	Number of Shares	
	Current Year	Previous Year
Outstanding as at the beginning of the year	32,40,000	32,40,000
Add: Issued during the year	0	0
Outstanding as at the end of the year	<u>32,40,000</u>	<u>32,40,000</u>

2.154 Rights, Preferences and Restrictions attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Re. 10 per share. Each holder of the Equity Shares is entitled to one vote per share. The Company declares dividend in Indian Rupees but has not proposed any dividend for the current year.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

2.155 List of Shareholders holding more than 5% Shares in the Equity Share Capital of the Company

	Current Year		Previous Year	
	No. of Shares	% Holding	No. of Shares	% Holding
Rajvardhan Agencies Private Limited	268300	8.28%	268300	8.28%
Surendra Mohan Agarwal	243000	7.50%	243000	7.50%

**2.16 OTHER
EQUITY**

	As at 31st March, 2018	As at 31st March, 2017
Securities Premium Reserve	14000000	14000000
General	800000	800000

Reserve		
Capital Reserve	1589220	1589220
Retained Earnings	-4839213	-5613643
Other Comprehensive Income	0	0
	<u>11550007</u>	<u>10775577</u>

The Description of the nature and purpose of each reserve within equity is as follows:

- Securities Premium Reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.
- General Reserve:** It is a free reserve which is created by appropriation from profits of the current year and/or undistributed profits of previous years, before declaration of dividend duly complying with any regulations in this regard.
- Capital Reserve:** Capital Reserve is the reserve created by investment made in plant and machinery in accordance with the then applicable Government Policies. It can be used for acquiring plant and machinery and other capital investments.

2.17 NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March, 2018	As at 31st March, 2017
Secured		
Rupee Term Loan from Banks	47,831,030	0
Foreign Currency Term Loan from Banks		
Un-Secured		
Loans & Advances from Related Parties/ Shareholders & Directors	<u>2570901</u>	<u>12210058</u>
	<u>50,401,931</u>	<u>12,210,058</u>

2.171 Nature of Security, Repayment Terms and Break-up of Current and Non-Current

	Current Year		Previous Year	
	Current *	Non-Current	Current *	Non-Current
Secured Long-Term Borrowings:				
Rupee Term Loan secured by first charge on the premises situated on arazi number 2153, 2159, 2160, 2161 and 2191 mauza umran, tehsil- Akbarpur, District-Kanpur and personal guarantee by three directors and their relatives.	2,400,000	45,431,030	0	0
	<u>2400000</u>	<u>45431030</u>	<u>0</u>	<u>0</u>

2.172 Maturity Profile of Non-Current Borrowings (including Current Maturities) is as set out below:

	Maturity Profile			
	Within 2 Years	2 - 3 Years	5 - 6 Years	7 Years & Above
Secured				
Rupee Term Loan from Banks	0	0	0	0

Foreign Currency Term Loan from Banks	0	0	0	0
Current Year	0	0	0	0
Previous Year	0	0	0	0

2.18 **NON-CURRENT OTHER FINANCIAL LIABILITIES**

	As at 31st March, 2018	As at 31st March, 2017
Security and other Deposits	0	0
	0	0

2.19 **NON-CURRENT PROVISIONS**

	As at 31st March, 2018	As at 31st March, 2017
Employees Benefits - Gratuity etc	0	0
	0	0

2.20 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2018	MAT Credit Utilized	Charge for the C. Year Profit or Loss	Other Comprehensive Income	As at 31st March, 2017
Deferred Tax Liabilities:	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0
Fair Valuation of Equity Instruments and Bonds measured at FVTPL	0	0	0	0	0
Fair Valuation of Mutual Funds measured at FVTPL	0	0	0	0	0
Others	0	0	0	0	0
	0	0	0	0	0
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	0	0	0	0	0
Expenses Allowable in Instalments in Income Tax Provision for Contingencies Allowable on Payment Basis	0	0	0	0	0
MAT Credit Entitlement	0	0	0	0	0
Fair Valuation of Preference Shares measured at FVTPL	0	0	0	0	0
	0	0	0	0	0
Deferred Tax Liabilities (Net)	0	0	0	0	0

	As at 31st March, 2018		Charge for the C. Year Profit or Loss	Other Comprehensive Income	As at 31st March, 2017
Deferred Tax Liabilities:	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0
Fair Valuation of Equity Instruments and Bonds measured at FVTOCI	0	0	0	0	0
Fair Valuation of Mutual Funds measured at FVTPL	0	0	0	0	0
Others	0	0	0	0	0
	0	0	0	0	0
Deferred Tax Assets:					
Accrued Expenses Allowable on Payment Basis	0	0	0	0	0
Expenses Allowable in Instalments in Income Tax Provision for Contingencies Allowable on Payment Basis	0	0	0	0	0
MAT Credit Entitlement	0	0	0	0	0
Fair Valuation of Preference Shares measured at FVTPL	0	0	0	0	0
	0	0	0	0	0
Deferred Tax Liabilities (Net)	0	0	0	0	0

2.21 OTHER NON-CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017
Other Creditors	0	0
Deferred Revenue from Government Grant	0	0
Other Liabilities	0	0
	0	0

2.22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at 31st March, 2018	As at 31st March, 2017
Loans Repayable on Demand from Banks		
Secured:		
Working Capital Borrowings	0	0
	0	0

2.23 CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

	As at 31st March, 2018	As at 31st March, 2017
Due to Micro and Small Enterprises	0	0
Due to Related Parties	0	0
Others	4,599,019	21,754,278
	4,599,019	21,754,278

This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

2.24 CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017
Current Maturities of Long-Term Debts (Note 2.16.1)	0	0
Interest Accrued but not Due on Borrowings	0	0
Security and Other Deposits (Trade Deposits)	0	0
Dividend Payable	0	0
Liability for Capital Goods	0	0
Other Payables (including Retention money etc.)	300,831	1,073,588
Term Loan Installments repayable	0	0
	300,831	1,073,588

2.25 OTHER CURRENT LIABILITIES

	As at 31st March, 2018	As at 31st March, 2017
Statutory Liabilities	0	0
Advance from Customers	0	0
Deferred Revenue from Government Grant	0	0

Other Payables (including Employee Benefits Payable, Provision etc.)	0	0
	0	0

2.26 CURRENT PROVISIONS

	As at 31st March, 2018	As at 31st March, 2017
For Employee Benefits (Leave Encashment and Pension)	0	0
Provision for Taxation	295328	145328
	295328	145328

2.26.1 Movement of provisions during the year as required by Ind AS - 37 "Provisions, Contingent Liabilities and Contingent Asset"

	As at 31st March, 2018	As at 31st March, 2017
Changes in provisions required by Ind AS-37	0	0
	0	0

3.1 SALE OF PRODUCT & SERVICES (GROSS)

	Current Year	Previous Year
Sale of Product	180,491,294	50,716,248
Sale of Service:		
Educational Fee Receipt	4,186,981	2,879,000
Rent	684,000	636,000
	<u>185,362,275</u>	<u>54,231,248</u>

3.2 OTHER INCOME

	Current Year	Previous Year
Interest Received	0	0
Interest on Income Tax Refund	0	0
Dividend	0	0
Profit of Sale of Investments	0	0
Profit of Sale of Assets	0	0
Profit of Sale of Investments (Measured at FVTPL)	0	0
Other Income	509,751	3,264,574
	<u>509,751</u>	<u>3,264,574</u>

3.3 COST OF MATERIAL CONSUMED

	Current Year	Previous Year
Raw-Material Consumed		
Opening Stock	0	0
Add: Purchase & Incidental Expenses	0	0
Less: Closing Stock	0	0
Raw-Material Consumed	0	0
Packing Material, Stores & Chemicals consumed		
Opening Stock	0	0
Add: Purchase & Incidental Expenses	0	0
Less: Closing Stock	0	0
Packing Material, Stores & Chemicals consumed	0	0
	<u>0</u>	<u>0</u>

3.4 PURCHASE OF STOCK-IN-TRADE

	Current Year	Previous Year
Purchase of Stock	168,366,495	48,218,644
	<u>168,366,495</u>	<u>48,218,644</u>

3.5 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS AND STOCK-IN-TRADE

	Current Year	Previous Year
Opening Stock		
Finished Goods	61,837,681	61,060,270
Stock-in-Process	0	0
	<u>61,837,681</u>	<u>61,060,270</u>
Less: Closing Stock		
Finished Goods	63,264,353	61,837,681
Stock-in-Process	0	0
	<u>63,264,353</u>	<u>61,837,681</u>
(Increase)/Decrease in Stock	-1,426,672	-777,411

3.6 EMPLOYEES BENEFIT EXPENSES

	Current Year	Previous Year
Salaries, Wages and Bonus etc	1,815,600	1,008,000
Contribution to Provident and other funds	0	0
Staff Welfare Expenses	7,578	0
	1,823,178	1,008,000

3.7 FINANCE COST

	Current Year	Previous Year
Interest Expense	3,465,514	1,375,390
Other Finance Cost	585,888	58,595
	4,051,402	1,433,985

3.8 OTHER EXPENSES

	Current Year	Previous Year
Manufacturing Expenses		
Power and Fuel	551,271	552,747
Freight and Cartage	4,566,294	1,571,888
Administrative, Selling & Distribution Expenses		
Repairs & Maintenance	294,173	239,793
Office Expenses	99,361	37,777
Legal Expenses	104,677	0
Travelling Expenses	174,874	126,861
Director's/ CFO Remuneration	3,180,000	2,550,000
Insurance	39,345	45,076
Rate & Taxes & Fees	547,459	104,241
Auditor Fees	25,000	101,200
Postage, Telegram & telephone	79,081	152,237
Printing & Stationery	34,246	38,820
Miscellaneous Expenses	206,853	73,967
Professional & Consultancy Charges	146,000	122,257
Administrative Expenses	248,250	71,400
Advertisement & Publicity	506,092	100,061
	10,802,976	5,888,325

3.9 OTHER COMPREHENSIVE INCOME

	Current Year	Previous Year
Items that will not be reclassified to Profit and Loss		
Equity Instrument through Other Comprehensive Income	0	0
Re-measurement of Defined Benefit Plan		
Less: Income Tax	0	0
Items that will be reclassified to Profit and Loss		
Exchange differences on translating foreign operations	0	0
Less: Income Tax	0	0
	0	0

RAKAN STEELS LIMITED

CIN: L27320UP1985PLC007582

R/O: NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311

Corporate Office: Corporate Office: 77/39, Coolie Bazar, Kanpur-208001

E Mail: support@rakansteels.co.in

Tel no. 9598668666 WEB: www.rakansteels.co.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty-First** Annual General Meeting of Members of *Rakan Steels Limited* will be held on Saturday, September 29, 2018 at 11:00 a.m. at the Registered Office of the Company at NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311 to transact the following business:-

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, 2018 along with the Reports of the Directors and Auditors thereon and in this regard pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby considered and adopted.”

2. To appoint Mr. Sandeep Agarwal (DIN: 02957566), Director who retires by rotation and who being eligible offers himself for re-appointment and in this regard pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, rules framed there under and other applicable provisions, if any, Mr. Sandeep Agarwal (DIN: 02957566) who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

3. To ratify the appointment of the Statutory 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 provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any

statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Board of Directors, M/s Maneesh Avneesh & Co., Chartered Accountants (FRN: 008433C), who were appointed as Auditors of the Company in the previous Annual General Meeting for a period of five years till the conclusion of the Annual General Meeting to be held in the year 2022 and whose office is subject to ratification by the members at this Annual General Meeting be and is hereby ratified by the shareholders of the Company.

RESOLVED FURTHER THAT Mr. Kannan Agarwal (DIN: 07318672), Managing Director or any other Director of the Company be and is hereby authorized to do all such acts, deeds and things and to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

SPECIAL BUSINESS:-

4. *To regularize the appointment of Ms. Radhika Bansal (DIN: 07989800) as a Director 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 provisions of Section 149, 150, 152, 160, 161 and any other applicable provisions (if any) of the Companies Act, 2013, and any rules made there under read with Schedule IV of the Companies Act, 2013, Ms. Radhika Bansal (DIN: 07989800) who was appointed as an Additional Director of the Company in the duly convened Board Meeting held on November 13, 2017 and who holds office up to the date of this Annual General Meeting and for whom the Company has received a notice in writing from a member proposing her candidature for the office of the Director of the Company, be and is hereby elected and appointed as a Non-Executive Independent Director of the Company for a term of five consecutive years commencing from September 29, 2018 to the date of the 36th Annual General Meeting , whichever is earlier.

RESOLVED FURTHER THAT Mr. Kannan Agarwal (DIN: 07318672), Managing Director or any other Director of the Company be and is hereby responsible to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution."

5. *To regularize the appointment of Mrs. Bindu Agarwal (DIN: 01578595) as a Director 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 provisions of Section 149, 152, 160, 161, 197 and any other applicable provisions (if any) of the Companies Act, 2013,

recommendations made by the Nomination & Remuneration Committee and any rules made thereunder read with Schedule V of the Companies Act, 2013, Mrs. Bindu Agarwal (DIN: 01578595) who was appointed as an Additional Director of the Company at the duly convened Board Meeting held on August 14, 2018 and who holds office upto the date of this Annual General Meeting and for whom the Company has received a notice in writing from a member proposing her candidature for the office of the Director of the Company, be and is hereby elected and appointed as an Executive Director of the Company on a monthly remuneration of Rs. 75000 (Seventy Five thousand only) all inclusive.

RESOLVED FURTHER THAT the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) be and are hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions of the appointment of the 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 Mrs. Bindu Agarwal, without any further reference to the shareholders in general meeting.

RESOLVED FURTHER THAT in the event of any losses or inadequacy of profits during the tenure of service of Mrs. Bindu Agarwal as a Director of the Company, the norms related to payment of remuneration shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013

RESOLVED FURTHER THAT Mr. Kannan Agarwal (DIN: 07318672), Managing Director or any other Director of the Company be and is hereby responsible to do all such acts, deeds and things as may be necessary and expedient to give effect to the aforesaid resolution.”

Date: 14/08/2018

By the order of the Board

Place: Kanpur

For Rakan Steels Limited

SD/-

Garima Priyani

(Company Secretary & Compliance Officer)

(Membership No.: A49540)

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 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 22, 2018 to September 29, 2018** (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 31st 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 31st 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 01:00 p.m. up to the date of the 31st 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, authorizing their representatives to attend and vote at the Annual General Meeting.
13. In case a Member receives physical copy the Notice of the 31st AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting Physical Copy.

(i) Please follow S. No. (i) to S. No. (xi) as mentioned aforesaid, 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 is pleased to provide its members a facility to exercise their right to vote in the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- (i) The Notice of the 31st 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 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 a 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 the **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 commences on **September 26, 2018 (09:00 a.m.) and ends on September 28, 2018 (05:00 p.m.)**. 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 **September 21, 2018** 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 cut-off date **September 21, 2018**.
- VII. A copy of this notice has been placed on the website of the Company and website of NSDL. Practicing Chartered Accountant, *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 **September 21, 2018** and not casting their vote electronically, may only cast their vote in 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 at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
- X. The Results shall be declared on or after the 31st 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 in the 31st Annual General Meeting of the Company on **September 29, 2018** and communicated to the **Metropolitan Stock Exchange of India Limited (MSEI)**.

ANNEXURE TO THE NOTICE

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015 WITH THE STOCK EXCHANGE/ SEBI.

EXPLANATORY STATEMENT:-

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013, set out all the material facts relating to the business under Item No. 2, 4 and 5 of the accompanying Notice dated 14.08.2018.

Item - 2

Mr. Sandeep 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 his re-appointment at this Annual General Meeting. The particulars of the Director are given below:

SANDEEP AGARWAL

NAME	SANDEEP AGARWAL
DIN	02957566
FATHER'S NAME	SURENDRA MOHAN AGARWAL
DATE OF BIRTH	09/12/1966
AGE	51 YEARS
ADDRESS	704, ANAND PALACE, 10/499 ALLENGANJ, KANPUR-208002
QUALIFICATION	GRADUATE
DATE OF FIRST APPOINTMENT ON THE BOARD	08/08/2014
EXPERIENCE	11 years of experience in the Iron & Steel Industry
MEMBERSHIP/CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS AS ON 31.03.2018	NIL
SHAREHOLDING IN THE COMPANY AS ON 31.03.2018	81315 SHARES

Item - 4

The Board of Directors of the Company had appointed Ms. Radhika Bansal (DIN: 07989800) as an Additional Director of the Company w.e.f. November 13, 2017 pursuant to Section 161 of the Companies Act, 2013. Ms. Radhika Bansal had to hold office up to this Annual General Meeting as she was appointed as an Additional Director on the board who holds office up to the ensuing Annual General Meeting as per the provisions of the aforesaid section. The Nomination & Remuneration Committee of the Company strongly recommends to the members and also

solicits them to give approval for her regularization as a Non-Executive Independent Director at the ensuing Annual General Meeting.

The resolution seeks approval of the members for the regularization of Ms. Radhika Bansal as the Director of the Company. In the opinion of the Board of Directors, Ms. Radhika Bansal, who is proposed to be appointed fulfills all the requisite conditions specified in the Act and the Rules made there under. Accordingly, Board of Directors recommends the passing of an **Ordinary Resolution** as set out in the Notice.

None of the Directors and other Key Managerial Personnel or their respective relatives except Ms. Radhika Bansal is concerned or interested financially or otherwise in this Resolution.

RADHIKA BANSAL

NAME	RADHIKA BANSAL
DIN	07989800
FATHER'S NAME	SAILESH BANSAL
DATE OF BIRTH	07/10/1994
AGE	23 YEARS
ADDRESS	3/10 VISHESH KHAND, , OPPOSITE LITTLE FRIENDS SCHOOL, GOMTI NAGAR, LUCKNOW-226010
QUALIFICATION	GRADUATE
DATE OF FIRST APPOINTMENT ON THE BOARD	13/11/2017
MEMBERSHIP/CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS AS ON 31.03.2018	NIL
SHAREHOLDING IN THE COMPANY AS ON 31.03.2018	NIL

Item - 5

The Board of Directors of the Company had appointed Mrs. Bindu Agarwal (DIN: 01578595) as an Additional Director of the Company w.e.f. August 14, 2018 pursuant to Section 161 of the Companies Act, 2013. Mrs. Bindu Agarwal had to hold office up to this Annual General Meeting as she was appointed as an Additional Director on the board who holds office up to the ensuing Annual General Meeting as per the provisions of the aforesaid section. The Nomination & Remuneration Committee of the Company strongly recommends to the members and also solicits them to give approval for her regularization as an Executive Director on a monthly remuneration of Rs. 75000/- at the ensuing Annual General Meeting.

The resolution seeks approval of the members for the regularization of Mrs. Bindu Agarwal as the Director of the Company. In the opinion of the Board of Directors, Mrs. Bindu Agarwal, who is proposed to be appointed fulfills all the requisite conditions specified in the Act and the

Rules made there under. Accordingly, Board of Directors recommends the passing of an *Ordinary Resolution* as set out in the Notice.

None of the Directors and other Key Managerial Personnel or their respective relatives except Mrs. Bindu Agarwal, Mr. Kannan Agarwal and Mr. Sandeep Agarwal are concerned or interested financially or otherwise in this Resolution.

BINDU AGARWAL

NAME	BINDU AGARWAL
DIN	01578595
FATHER'S NAME	SUKHDEV GOEL
DATE OF BIRTH	29/01/1967
AGE	51 YEARS
ADDRESS	702, Anand Palace, 10/499-A, Allen Ganj, Kanpur-208002
QUALIFICATION	GRADUATE
DATE OF FIRST APPOINTMENT ON THE BOARD	30/09/2010
EXPERIENCE	She is a businesswoman and has been associated with our Company for a very long time
MEMBERSHIP/CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS AS ON 31.03.2018	NIL
SHAREHOLDING IN THE COMPANY AS ON 31.03.2018	81950 SHARES

Date: 14/08/2018

Place: Kanpur

By the order of the Board

For Rakan Steels Limited

SD/-

Garima Priyani

(Company Secretary & Compliance Officer)

(Membership No.: A49540)

RAKAN STEELS LIMITED

CIN: L27320UP1985PLC007582

R/O: NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311

Corporate Office: 77/39, Coolie Bazar, Kanpur-208001

E Mail: support@rakansteels.co.in

Tel no. 9598668666 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, NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311 on Saturday, the 29th day of September, 2018 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: NH-2 (1 km from Bara Toll Plaza), Umran, Rania, Kanpur Dehat-209311

Corporate Office: Corporate Office: 77/39, Coolie Bazar, Kanpur-208001

E Mail: support@rakansteels.co.in

Tel no. 9598668666 WEB: www.rakansteels.co.in

FORM NO. MGT 11

PROXY FORM

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

(Management and Administration) Rules, 2014

Name of the Member:

Registered Address:

E-mail Id:

Folio No.:

DP ID- Client ID:

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

Name:

Address:

E-mail Id:

Signature:

Or failing him / her

Name:

Address:

E-mail Id:

Signature:

Or failing him / her

Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf in the Annual General Meeting of the Company to be held on Saturday, September 29, 2018 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 (Refer Note 3 below)	
		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, 2018.		
2.	Re-appointment of Mr. Sandeep Agarwal, (DIN: 02957566) Director who retires by rotation.		
3.	Ratify the appointment of M/s Maneesh Avneesh & Co. (Firm Registration No. 008433C) as Statutory Auditors of the Company.		
Special Business:-			
4.	Regularization of Ms. Radhika Bansal (DIN: 07989800) as the Director of the Company.		
5.	Regularization of Mrs. Bindu Agarwal (DIN: 01578595) as the Director of the Company.		

Signed this day of 2018.

Signature of the Member

Signature of the Proxy Holder(s)

AFFIX REVENUE STAMP NOT LESS THAN Re. 1

Notes:-

1. This form of proxy in order to be effective should be duly completed and have to be deposited at the Registered Office of the Company, in 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 an '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 the details including detail of member(s) in above box before submission.

ROUTE MAP FOR THE VENUE OF THE 31ST ANNUAL GENERAL MEETING OF RAKAN STEELS LIMITED

ADDRESS: NH-2 (1 KM FROM BARA TOLL PLAZA),
UMRAN, RANIA, KANPUR DEHAT-209311

