



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.com

Ref.....

Date 05/09/2019

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, 2019.
Ref: ISIN: INE773R01026

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, 2019 of the Company. The **32nd Annual General Meeting** of the Company is scheduled to be held on **Monday, September 30, 2019 at 10:00 a.m.** (IST) at the Registered Office of the Company at **NH-2 (1 km from Bara Toll Plaza) Umran, Rania, Kanpur Dehat-209311.**

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

Garima Priyani

Garima Priyani
Director/Authorised Signatory

(Company Secretary & Compliance Officer)

Encl: Annual Report for 2018-2019



RAKAN STEELS LIMITED

(CIN: L27320UP1985PLC007582)

32nd ANNUAL REPORT 2018-2019

CONTENTS

<u>S. NO.</u>	<u>DESCRIPTION</u>	<u>PAGE NO.</u>
1.	CORPORATE INFORMATION	1
2.	MANAGING DIRECTOR'S COMMUNIQUE	2-3
3.	MANAGEMENT'S DISCUSSION & ANALYSIS REPORT	4-7
4.	BOARD'S REPORT(INCLUDING SECRETARIAL AUDIT REPORT & EXTRACT OF ANNUAL RETURN)	8-47
5.	AUDITOR'S REPORT	48-54
6.	BALANCE SHEET	55
7.	PROFIT & LOSS STATEMENT	56
8.	CASH FLOW STATEMENT	57
9.	NOTES ALONG WITH ANNEXURES	58-76
10.	NOTICE OF ANNUAL GENERAL MEETING	77-93
11.	ATTENDANCE SLIP	94
12.	PROXY FORM	95-97
13.	ROUTE MAP FOR THE VENUE OF ANNUAL GENERAL MEETING	98



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER

Mrs. Vandana 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

STATUTORY AUDITORS

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

SECRETARIAL AUDITORS

M/s V. Agnihotri & Associates
Company Secretaries
55/19, Kahoo Kothi,
Kanpur-208001

REGISTERED OFFICE

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

CORPORATE OFFICE

Anand Palace, 10/499,
Allen Ganj,
Kanpur-208002

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

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

Website: www.rakansteels.co.in;

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



MANAGING DIRECTOR'S COMMUNIQUÈ

Dear Fellow Shareowners,

It gives me immense pleasure to share with you the Annual Report of the Company for the financial year 2018-2019. We have completed another spectacular and remarkable year wherein your Company executed well on its strategic roadmap and delivered impeccable financial performance. Last year in my communication to you, I shared with you the Company's strategy to leverage the growth potential of the Indian economy by pursuing both organic and inorganic growth opportunities. I am elated to share with you that your Company has made significant progress in this regard.

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

Steel is a strategic material for growth and development of nations and has a multiplier impact on the economy and society. India has the unique advantage of a young and ambitious population and high economic growth, which would drive sustained demand for industries such as steel. India also has a large natural resource base and skilled manpower to be one of the most competitive manufacturers of steel globally. While the short-term global macroeconomic and geopolitical situation may continue to throw some challenges, the future holds many opportunities for your Company. Your Company is well positioned to capitalize on the opportunities and deliver strong growth.

Further, it is also pertinent to mention that *Rakan (Private) I.T.I under the flagship of Rakan Group of Institutions* which is established with the aim to inculcate technological skills amongst youth to empower them for gainful employment through technical & vocational education; and to enhance productivity of formal & non-formal sector of economy by having close interaction with the Industry has strived to achieve new horizons and is successfully moving on the path of immense growth and development. It is contributing its best in the field and has moved on to become one of the best I.T.I units of the city. Moreover, the hard work of the supremely and exceptionally talented management team has managed to win and has bagged many government tenders for increasing growth of the institution.



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.

As we continue our journey of scaling new peaks while being better with every passing day, I would like to thank the Board for guiding me to execute my responsibilities in the best possible manner. I would like to extend my heartfelt gratitude to 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 "*New 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 **REPORT**

"That said, through the middle of CY 2019, global growth is likely to witness a modest recovery as the economies currently engaged in trade wars have also initiated high-level dialogues to resolve the contentious issues."

Source: International Monetary Fund (IMF)

ECONOMIC OUTLOOK

According to the International Monetary Fund (IMF) global economic growth is expected to further decline to 3.3% in 2019 but expected to return to 3.6% in 2020. While the slow paced growth in the second half of 2018 is likely to continue in the first half of 2019, growth in the second half of 2019 is expected to gain momentum, owing to an ongoing build-up of policy stimulus in China, improvements in global financial market sentiment, waning of some temporary drags on growth in the euro area, and a gradual stabilization of conditions in stressed emerging market economies. Improved momentum for emerging market and developing economies is projected to continue into 2020, primarily reflecting developments in economies currently experiencing macroeconomic distress.

The Indian economy is expected to grow at about 7.3% in 2019 and further by 7.5% in 2020, supported by the continued recovery of investment and robust consumption and a more expansionary stance of monetary policy and some expected impetus from fiscal policy.

BUSINESS OVERVIEW

India will be the brightest spot for the steel sector over the next 12-18 months, according to Moody's Investors Service. A Moody's statement said India's steel consumption is rising at least 5.5 per cent to 6 per cent every year, tracking strong GDP growth of 7.3 per cent to 7.5 per cent. "With minimal new steel capacity expected to be commissioned until 2021 in India, robust steel demand -- especially from the construction, infrastructure and automotive sectors -- will keep end-product prices high, even as rising costs for key inputs, coking coal and iron ore, pressure profitability. Meanwhile, India's steel sector



consolidation will drive improvement in the industry's capacity utilization levels and mute the pressure on profitability," the statement added.

Therefore, keeping into account such positive attributes, your Company shall also strive to take advantage of the favorable market conditions and plethora of opportunities thrown by the Industry and its significant driving forces. The Management is determined to improve the results in the near future and also contribute to the current reigning Prime Minister Mr. Narendra Modi's vision of "*New India*".

PERFORMANCE

During the year under review, the Income of the Company amounted to Rs. 2937.803 (in '00000) in comparison to the Income of the last year which amounted to Rs. 1858.72 (in '00000). Your Company earned a profit during the year amounted to Rs. 9.09 (in '00000) in comparison to last year's profit which amounted to Rs. 7.74 (in '00000).

OUTLOOK

According to the IMF, India is expected to grow at 7.3% in CY 2019 and 7.5% in CY 2020, driven by a continued recovery in investment (9.4% growth) and robust consumption. Going forward, the Indian economy is expected to contribute 13.7% to total world economic growth, which is higher than that of several developed countries, including the US (Source: Bloomberg). With the general election overhang now behind us and a stable government elected at the centre, any uncertainty around policy continuity or visibility has subsided. Continued economic reforms along with efforts to reduce public debt is definitely prerequisite for the country's growth. Given the strong mandate, the government is likely to push through key structural reforms towards its ambition of making India a \$5 trillion economy by 2024.

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 & INTERNAL AUDIT

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively.

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.

The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee at its meetings reviews the reports submitted by the Internal Auditor. Also, the Audit Committee at frequent intervals has independent sessions with the statutory auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.



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.



BOARD'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, 2019.

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2019 is summarized below:-

	2018-2019 (Rs. in '00000)	2017-2018 (Rs. in '00000)
Income	2937.803	1858.72
Profit/(Loss) before interest & dep.	78.22	57.2
Less:		
Interest	56.48	34.66
Depreciation & Amortization	9.95	13.02
Profit/(Loss) Before Tax	11.79	9.52
Provision for Taxation	2.25	1.50
Deferred Tax	0.16	-0.92
Adjustment related to Previous Year	0.289	1.20
Net Profit	9.09	7.74

SUMMARY OF OPERATIONS

During the year, the Income of the Company amounted to Rs. 2937.803 (in '00000) in comparison to the Income of the last year which amounted to Rs. 1858.72 (in '00000). Your Company earned a profit during the year amounted to Rs. 9.09 (in '00000) in comparison to last year's profit which amounted to Rs. 7.74 (in '00000).

AUDITORS

M/s Maneesh Avneesh & Company, Chartered Accountant (FRN: 008433C) conducted the statutory audit of the Company for the financial year 2018-2019.

Further, it is hereby informed that the Statutory Auditors rendered their resignation letter to the Company dated August 14, 2019 citing reasons of prior commitments and



other assignments. Hence, at the ensuing Annual General Meeting the appointment of new Statutory 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.

Moreover, the Standalone Financial Statements of the Company have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies Act, 2013.

AUDITOR'S REPORT

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.

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.

DEPOSITS

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.

MATERIAL CHANGES & COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of financial year of the Company i.e. March 31, 2019 and the date of the Director's Report.

SHARE CAPITAL

A significant change in the Share Capital of the Company took place during the period under review. The Company had undergone the process of Share Sub-Division/ Split by



way of which the Face Value of Share was reduced from Rs. 10/- per share to Re. 1/- per share. Further, the consent for the same was accorded by the shareholders in the Extra-Ordinary General Meeting duly convened on March 18, 2019. The record date for the aforesaid event was kept on May 10, 2019.

BUSINESS 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.

The Company manages and monitors principal risks and uncertainties that can impact ability of the Company to achieve its targets and objectives. Timely reports are placed before the Board for considering various risks involved in the Company business/operations. The Board evaluates these reports and requisite/corrective actions are then implemented.

A brief report on risk evaluation and management is provided under Management's Discussion & Analysis Report forming part of this Annual Report.

INTERNAL CONTROL SYSTEM & 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 Company complies with all the applicable and notified Secretarial Standards.

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 are as stated as under:-



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. Bindu Agarwal are drawing a salary of Rs. 75000/- per month which is 4.41 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:- N/A b) MD:- N/A c) CFO:-N/A d) CEO:- N/A e) Company Secretary:-13.333
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: 32.08%
4	The number of permanent employees on the rolls of the Company	There were 19 employees on the rolls of the Company as on March 31, 2019.
5	The explanation on the relationship between average increase in remuneration and company performance.	Company has made a profit of Rs. 11.79 (in '00000) as compared to last year's profit of Rs. 9.52 (in '00000). There has been a 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 2018-2019 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 : 31.03.2018=Rs. 32400000 31.03.2019=Rs. 32400000 Price Earnings Ratio (Price/EPS):- As on 31.03.2018=Rs. 41.66 As on 31.03.2019=Rs. 35.71 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. 2017-2018 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:- 76.33% (of the Net Profit) CFO:- 50.89% (of the Net Profit) CS:- 17.30% (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.

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 19 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.

DIRECTORS' RESPONSIBILITY STATEMENT

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.

BOARD OF DIRECTORS

The Board of the Company is duly constituted. The Company is managed by well-qualified professionals. All directors are suitably qualified, experienced and competent. The members of the Board of Directors are persons with considerable experience and expertise in Audit, Accounts, Finance, Administration and Marketing. The Company is benefitted by the experience and skills of the Board of Directors. 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.

In the ensuing Annual General Meeting of the Company Mrs. Bindu 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. She, being eligible for re-appointment offers herself for the same.



A brief profile of the Directors proposed to be re-appointed is annexed to the Notice. Your valuable approval for their re-appointment as the Directors of the Company has been sought in the Notice convening the AGM of your Company.

BOARD MEETINGS

During the year *Five* board meetings were convened. The details thereof are given as under. Further, it is hereby stated that the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Regulations & Disclosure Requirements) Regulations, 2015.

S. No.	DATE	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
1.	April 30, 2018	6	6
2.	May 30, 2018	6	6
3.	August 14, 2018	5	5
4.	November 14, 2018	6	6
5.	February 14, 2019	6	6

AUDIT COMMITTEE

i. Terms of Reference:-

The terms of reference of this Committee are wide enough covering the matters specified under the Section 177 read with Rule 6 of Companies (Meetings of Board and its powers) Rules, 2014 of the Companies Act, 2013 and Regulation 18 of the 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. Bindu Agarwal**	Member	2	2
Ms. Radhika Bansal	Member	5	5

** Replaced Mrs. Kashish Grover who resigned from the Company w.e.f. August 14, 2018.



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

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
April 30, 2018	3	3
May 30, 2018	3	3
August 14, 2018	2	2
November 14, 2018	3	3
February 14, 2019	3	3

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

NOMINATION & REMUNERATION COMMITTEE

i. Terms of Reference:-

The terms of reference of this Committee are wide enough covering the matters specified under Section 178 read with Rule 6 of Companies (Meetings of Board and its powers) Rules, 2014 of the Companies Act, 2013 and Regulation 19 of the 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	1	1
Mr. Mahendra Bahadur Singh	Member	1	1
Ms. Radhika Bansal	Member	1	1

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

DATE	COMMITTEE STRENGTH	NO. OF MEMBERS PRESENT
August 14, 2018	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.

v. Selection and Evaluation of Directors:-

The Board on the basis of recommendations of the Nomination & Remuneration Committee, laid down following policies:-

1. Policy for determining qualifications, positive attributes and Independence of a Director.
2. Policy for Board & Independent Directors Evaluation.

vi. Performance Evaluation of Board, Committees & Directors:-

The Company believes formal evaluation of the Board and of the individual directors, on an annual basis, is a potentially effective way to respond to the demand for greater board accountability and effectiveness. For the company, evaluation provides an ongoing means for directors to assess their individual and collective performance and effectiveness. In addition to greater board accountability, evaluation of board members helps in:-

- a) More effective board process
- b) Better collaboration and communication
- c) Greater clarity with regard to members roles and responsibilities
- d) Improved Managing Director and board relations

The evaluation process covers the following aspects:-

- Self evaluation of directors
- Evaluation of the performance and effectiveness of the board
- Evaluation of the performance and effectiveness of the committees
- Feedback from the Non-Executive directors to the Management
- Feedback on management support to the board

STAKEHOLDERS RELATIONSHIP COMMITTEE

i. Terms of Reference:-

The terms of reference of this Committee are wide enough covering the matters specified under Section 178 (5) & (6) of the Companies Act, 2013 and Regulation 20 of the 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. Bindu Agarwal	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
November 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.

MEETINGS OF INDEPENDENT DIRECTORS

The Company's Independent Directors met once during the financial year 2018-2019 held on March 29, 2019 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.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

CORPORATE GOVERNANCE

As per Regulation 15 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 provisions relating to Corporate Governance are not applicable to your Company and therefore there is no separate report on Corporate Governance.

Management Discussion & Analysis Report, pursuant to Regulation 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, forms part of this report and the same is annexed herewith.



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

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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There were no Guarantees or Investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 during the period under review. The details of loans given have been disclosed in the financial statements.

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.

A brief report on risk evaluation and management is provided under Management Discussion & Analysis Report forming an integral part of this Annual Report.

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:

2.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

3. 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	14,75,000.00 8,84,000.00 71,026.00	566950.00 (Cr)
2.	Kannan Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	12,65,000.00 15,77,768.00 0.00	817.23 (Cr)
3.	Sandeep Agarwal (Director, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	20,89,000.00 0.00 1,47,416.00	29,14,035.00 (Cr)
4.	Sandeep Agarwal (HUF) (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	87,327.00	8,95,901.00 (Cr)
5.	Sandeep S Gupta (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	39,227.00	4,02,438.00 (Cr)
6.	Sanjeev Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	9,241.00	94,808.00 (Cr)
7.	Shilpa Gupta (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	27,439.00	2,81,503.00 (Cr)
8.	Surendra Mohan Agarwal	Unsecured Loans -Interest Paid	2,692.00	25,125.00 (Cr)



	(Relative of Key Managerial Personnel)			
9.	Vaibhav Agarwal (Relative of Key Managerial Personnel)	Unsecured Loans -Interest Paid	4,952.00	50,800.00 (Cr)
10.	Vandana Agarwal (CFO, Key Managerial Personnel)	Unsecured Loans -Taken -Repaid -Interest Paid	1,00,000.00 0.00 4,077.00	1,04,077.00 (Cr)
11.	Vandana Agarwal (CFO, Key Managerial Personnel)	CFO Remuneration	4,00,000.00	3,02,500.00 (Cr)
12.	Sandeep Agarwal (Director, Key Managerial Personnel)	Director Remuneration (STEB)	9,00,000.00	6,57,441.00 (Cr)
13.	Kannan Agarwal (Director, Key Managerial Personnel)	Director Remuneration (STEB)	9,00,000.00	3,374.40 (Cr)
14.	Kashish Agarwal (Director, Key Managerial Personnel)	Director Remuneration (STEB)	9,00,000.00	4,70,550.00 (Cr.)
15.	Bindu Agarwal	Director Remuneration (STEB)	6,00,000.00	82,500.00(Cr.)
16.	Aditi Agarwal	General Manager Remuneration	1,00,000.00	0.00
17.	Rajvardhan Agencies Pvt. Ltd.	Sale Purchase Rent	24,75,97,403.00 4,18,91,269.00 3,54,000.00	2,47,52,220.00(Dr)
18.	S P Industries	Rent	2,05,320.00	6,47,633.00 (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. Vaibhav Agnihotri (Prop. M/s V. Agnihotri & Associates), Practicing Company Secretary, to conduct the Secretarial Audit for the Financial Year 2018-2019. 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.

SHARE REGISTRAR & TRANSFER AGENT

The Company’s Registrar & Transfer Agent is Skyline Financial Services Private Limited, New Delhi. It is a SEBI Registered R & TA. The contact details of the same are mentioned at the beginning of the Report. The investors are kindly requested to address their queries, if any, to the R & TA. However, in case of any difficulties, they are always welcome to contact the Company’s Company Secretary & Compliance Officer, the contact particulars of whom are contained in the Report and are also hosted on the website of the Company i.e. www.rakansteels.co.in.

CORPORATE SOCIAL RESPONSIBILITY

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable on your Company.

WEBLINK OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure B”. Moreover, pursuant to Section 92(3) of the Companies Act, 2013 the same will be posted on the website of the Company i.e. www.rakansteels.co.in as and when it will be completed.



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.
- During the year under review, there were no cases filed or reported pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

RECORDING MINUTES OF PROCEEDINGS OF BOARD & COMMITTEE MEETINGS

The Company Secretary records minutes of proceedings of each Board and Committee meetings. 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.

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.

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: 14/08/2019

PLACE: KANPUR

**KANNAN AGARWAL
(MANAGING DIRECTOR)**

DIN: 07318672

SANDEEP AGARWAL

(DIRECTOR)

DIN: 02957566

DECLARATION REGARDING ADHERENCE TO THE CODE OF CONDUCT

As provided under Clause 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Managerial Personnel have confirmed compliance with the Code of Conduct for the year ended March 31, 2019.

By the Order and on behalf of the Board of Directors

For RAKAN STEELS LIMITED

DATE: 14/08/2019

PLACE: KANPUR

**KANNAN AGARWAL
(MANAGING DIRECTOR)**

DIN: 07318672



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, 2019 and that to the best of our knowledge and belief.
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.
- (b) There are to the best of our knowledge and belief, no transactions entered into by Rakan Steels Limited during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting in Rakan Steels Limited and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee.
 - (i) Significant changes in internal control over financial reporting during the year.
 - (ii) Significant changes in Accounting Policies during the year and the same have been disclosed in the notes to the financial statements; and



- (e) We certify that there have been no instances of significant fraud of which we have become aware and the involvement therein of management or any employee having significant role in the Company's internal control systems.
- (f) We affirm that we have not denied any personnel, access to the Audit Committee of the Company (in respect of matters involving alleged misconduct).

SD/-

Kannan Agarwal
(Managing Director)
(DIN: 07318672)

SD/-

Vandana Agarwal
(Chief Financial Officer)
(PAN: ABOPA5020H)

Date: 30/05/2019

Place: Kanpur



ANNEXURE "A" TO THE DIRECTOR'S REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019 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, 2019 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

- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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.

All the decisions were carried through with the assenting members' views 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, the Company undertook the process of Share Sub-Division/ Split by seeking approval from the shareholders in an Extra-Ordinary General meeting duly convened on March 18, 2019 whose record date was eventually kept to be May 10, 2019 and it is 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: 14/08/2019

Place: Kanpur

For V. Agnihotri & Associates

CS Vaibhav Agnihotri
(Membership No. 36594)
(C.P. No. 21596)



"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: 14/08/2019

Place: Kanpur

For V. Agnihotri & Associates

CS Vaibhav Agnihotri
(Membership No. 36594)
(C.P. No. 21596)



ANNEXURE "B" TO THE DIRECTOR'S REPORT

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2019

[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	97.63%

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	N/A	N/A	N/A	N/A



h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	504255	504255	15.56	-	504255	504255	15.56	-
2. Non-Institutions									
a) Body Corp.	-	-	-	-	-	-	-	-	-
i) Indian	40000	923345	963345	29.73	126600	535372	661972	20.43	-9.3
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	200	624261	624461	19.27	500	441345	441845	13.64	-5.63
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	151176	-	151176	4.67	178476	497986	676462	20.87	16.2
c) Others (HUF)	-	13997	13997	0.43	-	-	-	-	-0.43
Sub-total	191376	1561603	1752979	54.10	305576	1474703	1780279	54.94	0.84



(B)(2):-									
Total Public Shareholding (B)=(B)(1)+(B)(2)	191376	2065858	2257234	69.67	305576	1978958	2284534	70.51	0.84
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1174142	2065858	3240000	100	1261042	1978958	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.	Rajvardhan Agencies Private Limited	268300	8.28	0	268300	8.28	0	0.00
	TOTAL	955466	29.49	0	955466	29.49	0	0



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.	Rajvardhan Agencies Private Limited	268300	8.28	0	268300	8.28	0	0.00
	TOTAL	955466	29.49	0	955466	29.49	0	0

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.	Vaibhav Agarwal	-	-	-	149817	10.02.2019	149817	4.62	Shares were acquired



2.	Success Vyapar Limited	142800	4.41	-	-	-	142800	4.41	-
3.	Raghuvansh Agro Farms Limited	131774	4.07	-	-	-	131774	4.07	-
4.	3A Capital Services Limited	126600	3.91	-	-	-	126600	3.91	-
5.	Mahendra Girdhari Lal	120700	3.73	-	-	-	120700	3.73	-
6.	Bank of Baroda	95300	2.94	-	-	-	95300	2.94	-
7.	BOI Finance Limited	95300	2.94	-	-	-	95300	2.94	-
8.	State Bank of Mysore	95100	2.94	-	-	-	95100	2.94	-
9.	Enam Financial Consultants Private Limited	93100	2.87	-	-	-	93100	2.87	-
10.	The Federal Bank Ltd.	86600	2.67	-	-	-	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		Shareholding at the end of the year	
			No. of shares	% of total shares	No. of shares	% of total shares
1.	Mr. Kannan Agarwal	Managing Director	0	0	138773 (Acquired during the year)	4.28
2.	Mr. Sandeep Agarwal	Director	81315	2.51	81315	2.51
3.	Mrs. Bindu Agarwal	Director	81950	2.53	81950	2.53



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	47831030	2570901	-	50401931
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ ii + iii)	47831030	2570901	-	50401931
Change in Indebtedness during the financial year				
· Addition				
· Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	56119802	5336455	-	61456257
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total(i+ ii+ iii)	56119802	5336455	-	61456257



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. 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 for 8 months	900000 900000 600000
	(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 for 8 months	900000 900000 600000



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	-	204000	500000	704000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	17000/- per month	500000	-
	(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	-	204000	500000	704000

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

NONE



INDEPENDENT AUDITOR'S REPORT

To,
The Members,
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 2019, 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal financial control relevant to the Company's preparation of the financial



statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 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 Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 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

AVNEESH SRIVASTAVA
Partner
M. No: 402380

Place: Kanpur.
Dated: 30.05.2019



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 31st March 2019, we report that:

- i. In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets were physically verified during the year by the Management in accordance with a phased programme of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company, nature and value of its assets. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company.
- ii. The inventories have been physically verified during the year by the management. In our opinion frequency of verification is reasonable. As explained to us, there were no material discrepancies noticed on physical verification as compared to the book records.
- iii. As per the records produced before us and explanations given to us, the Company has not granted any loans, secured and unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013, therefore, the relevant provisions of the Companies (Auditor's Report) order, 2016, are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, with respect to loans and investments made.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits within the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act , 2013 , therefore , the relevant provisions of the Companies (Auditor's Report) order, 2016, are not applicable to the Company.
- vi. The Central Government has not prescribed maintenance of cost records under Section 148 (1) of the Companies Act, 2013 in respect of business activities of the Company.
- vii. In respect of statutory dues :
 - a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty excise duty and other statutory dues mentioned above were in arrears, as at 31.03.2019 for a period of more than six months from the date they became payable.



- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks. The Company does not have any loans or borrowings from Government or debenture holders during the year.
- ix. The Company did not raise any money by way of Initial Public offer or further Public Offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For MANEESH AVNEESH & COMPANY
Chartered Accountants
FRN: 008433C

AVNEESH SRIVASTAVA
Partner
M. No: 402380

Place: Kanpur.
Dated: 30.05.2019



Annexure-B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of **M/s Rakan Steels Limited** ("the Company") as of 31st March, 2019 in the conjunction with our audit of standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also projections of any evaluation of the internal financial controls over financial reporting to future 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 31st March 2019, 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

AVNEESH SRIVASTAVA
Partner
M. No: 402380

Place: Kanpur.
Dated: 30.05.2019



RAKAN STEELS LIMITED

BALANCE SHEET

AS AT 31ST MARCH 2019

	Note No.	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2.1	5,499,921	5,078,267
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)		161,306	177,322
Other Non-Current Assets	2.5	473,667	473,667
Current Assets			
Inventories	2.6	66,476,171	63,264,353
Financial Assets			
Investments	2.7	0	0
Trade Receivables	2.8	45,285,267	28,668,884
Cash and Cash Equivalents	2.9	2,321,982	1,146,632
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	477,855	0
Other Current Assets	2.14	321,299	737,991
TOTAL ASSETS		121,017,468	99,547,116
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2.15	3,24,00,000	3,24,00,000
Other Equity	2.16	12,459,600	11,550,007
		44,859,600	43,950,007
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	2.17	61,456,257	50,401,931
Other Financial Liabilities	2.18	0	0
		61,456,257	50,401,931
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	9,286,933	4,599,019
- Micro and Small Enterprises		0	0
- Creditors other than Micro and Small Enterprises		9,286,933	0
Other Financial Liabilities	2.24	2,400,000	300,831
		11,686,933	4,899,850
Other Current Liabilities	2.25	2,494,351	0
Provisions	2.26	520,328	295,328
Current Tax Liabilities (Net)		0	0
TOTAL EQUITY AND LIABILITIES		121,017,468	99,547,116
		0	0

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 - L27320UP1985PLC007582

For Maneesh Avneesh & co.
Chartered Accountants

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

Kannan Agarwal
(Managing Director)
DIN: 07318672

Sandeep Agarwal
(Director)
DIN: 02957566

Place : Kanpur
Date : 30.05.2019

Vandana Agarwal
(Chief Financial Officer)

Garima Priyani
(Company Secretary)



RAKAN STEELS LIMITED
STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH 2019

	Note No.	Year Ended 31st March, 2019 Current Year	Year Ended 31st March, 2018 Previous Year
INCOME			
Revenue from Operations	3.1	291,922,442	185,362,275
Other Income	3.2	1,857,862	509,751
Total Income (I)		293,780,304	185,872,026
EXPENSES			
Cost of Materials Consumed	3.3	35,537,944	0
Purchase of Stock-in-Trade	3.4	234,878,367	168,366,495
Changes in Inventories of Finished Goods, Wo	3.5	-394,875	-1,426,672
Employees Benefits Expenses	3.6	3,229,488	1,823,178
Finance Costs	3.7	5,931,792	4,051,402
Depreciation and Amortisation Expenses	2.1	995,422	1,302,417
Other Expenses	3.8	12,422,657	10,802,976
Total Expenses (II)		292,600,795	184,919,796
Profit Before Exceptional Item and Tax		1,179,509	952,230
Exceptional Item		0	0
Profit Before Tax		1,179,509	952,230
Tax Expenses			
Current Tax		225,000	150,000
Tax Relating To Prior Period		28,900	120,720
Deferred Tax		16,016	-92,920
Total Tax Expense		269,916	177,800
Profit for the Year (III)		909,593	774,430
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)		909,593	774,430
Earnings per Equity Share (Face Value Rs. 1 each)			
Basic (Rs.)		0.28	0.24
Diluted (Rs.)		0.28	0.24

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 : 30.05.2019

Vandana Agarwal
(Chief Financial Officer)

Garima Priyani
(Company Secretary)



RAKAN STEELS LIMITED

Cash Flow Statement For The Year Ended 31.03.2019

Particulars	Year Ended 31.03.2019		Year Ended 31.03.2018	
A Cash Flow from Operating Activities				
Profit for the Year before tax & extraordinary items		1179509		952230
<u>Adjustment for:</u>				
Depreciation	995422		1302417	
Interest & Financial Charges	5931792	6927214	4051402	5353819
Operating Profit before Working Capital changes		8106723		6306049
<u>Adjustments for:</u>				
(Increase)/Decrease in Loans and Advances	0		0	
(Increase)/Decrease in Trade Receivables	-16616383		-20591267	
(Increase)/Decrease in Inventory	-3211818		-1426672	
(Increase)/Decrease in Current Assets	-61163		-619934	
Increase/(Decrease) in current Liabilities	9281434		-17928016	
Less:-Direct Taxes Paid (Net)	-253900	-10861830	-270720	-40836609
Net Cash from Operating Activities		-2755108		-34530560
B Cash Flow from Investing Activities				
Purchase of fixed asset	1417076	-1417076	240225	-240225
Purchase of investment	0	0	0	0
(Increase)/Decrease in Non Current Assets	0	0	0	0
Increase/(Decrease) in Non Current Liabilities	225000	225000	150000	150000
Net Cash from Investing Activities		-1192076		-90225
C Cash Flow from Financing Activities				
(Payment)/ Receipt of Long Term Borrowing	11054326		38191873	
(Payment)/ Receipt of other Long Term Liabilities	0		0	
Interest and Financial Charges	-5931792		-4051402	
Dividends paid	0	5122534	0	34140471
Net Cash from Financing Activities		5122534		34140471
NET CASH FLOWS DURING THE YEAR(A+B+C)		1175350		-480314
Cash and Cash Equivalents(Opening Balance)		1146632		1626946
Cash and Cash Equivalents(Closing Balance)		2321982		1146632

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 : 30.05.2019

Vandana Agarwal
(Chief Financial Officer)

Garima Priyani
(Company Secretary)



STATEMENT OF CHANGES IN EQUITY

for the year ended 31st March, 2019

A. EQUITY SHARE CAPITAL

For the year ended 31st March, 2019

Balance as at 1st April, 2018	Changes in Equity Share Capital	Balance as at 31st March, 2019
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 2019									
Opening Balance as at 1st April, 2018	14,000,000	800,000	1,589,220	-4,839,213	-	-	-	-	11,550,007
Profit for the year	-	-	-	909,593	-	-	-	-	909,593
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings to Capital Reserve	-	-	-	-	-	-	-	-	-
Capital Subsidy (effect under Ind AS to be set)	-	-	-	-	-	-	-	-	-
Dividend (Including Corporate Dividend Tax)	-	-	-	-	-	-	-	-	-
Other Comprehensive Income for the year									
Exchange Difference on Translation of Foreign Operations	-	-	-	-	-	-	-	-	-
Closing Balance as at 31st March, 2019	14,000,000	800,000	1,589,220	-3,929,620	-	-	-	-	12,459,600

	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	800,000	1,589,220	-5,613,643	-	-	-	-	10,775,577
Profit for the year	-	-	-	774,430	-	-	-	-	774,430
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 set)	-	-	-	-	-	-	-	-	-
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	800,000	1,589,220	-4,839,213	-	-	-	-	11,550,007

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 : 30.05.2019Vandana 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	De-recog	Deductions	As at 31st	As at 31st	As at 1st
	April, 2018			March, 2019	April, 2018	Year			March, 2019	March, 2019	April, 2018
Tangible Assets *											
Laboratory Equipment	1,518,465	2,300	-	1,520,765	912,434	273,287	-	-	1,185,721	335,044	606,031
Computer Peripherals	630,750	-	-	630,750	481,365	91,931	-	-	573,296	57,454	149,385
Buildings	3,408,464	-	-	3,408,464	257,709	153,442	-	-	411,151	2,997,313	3,150,755
Plant & Machinery	1,739,050	861,583	-	2,600,633	1,171,823	222,755	-	-	1,394,578	1,206,055	567,227
Office Equipments	349,944	55,515	-	405,459	199,502	73,894	-	-	273,396	132,063	150,442
Furniture & Fittings	234,754	-	-	234,754	81,793	42,885	-	-	124,678	110,076	152,961
Vehicles	1,229,628	497,678	-	1,727,306	964,182	127,902	-	-	1,092,084	635,222	265,446
Electrical Equipments	57,206	-	-	57,206	21,186	9,326	-	-	30,512	26,694	36,020
Turbine (Co Generation System along with Pressure Boiler)	-	-	-	-	-	-	-	-	-	-	-
Total Tangible Assets	9,168,261	1,417,076	-	10,585,337	4,089,994	995,422	-	-	5,085,416	5,499,921	5,078,267
Previous Year	8,928,036	240,225	-	9,168,261	2,787,577	1,302,417	-	-	4,089,994	5,078,267	6,140,459



2.2 NON-CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31st March, 2019	As at 31st March, 2018
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, 2019	As at 31st March, 2018
(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, 2019	As at 31st March, 2018
Fixed Deposits with Banks with maturity more than 12 Months	0	0
	0	0

2.5 OTHER NON-CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
Capital Advances for Purchase of Property, Plant and Equipment	0	0
Security Deposits	473,667	473,667
Other Advances (Deposit with Government Authorities, etc.)	0	0
	473667	473667

2.6 INVENTORIES

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

	As at 31st March, 2019	As at 31st March, 2018
Raw Material	2,691,943	0
Finished Goods	63,659,228	63,264,353
Stock in Process	0	0
Packing Materials, Stores & Chemicals	125,000	0
	66476171	63264353



2.7 CURRENT FINANCIAL ASSETS - INVESTMENTS

	As at 31st March, 2019	As at 31st March, 2018
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, 2019	As at 31st March, 2018
Considered Good	45,285,267	28,668,884
Doubtful	0	0
	45,285,267	28,668,884
Less: Impairment Loss	0	0
	45,285,267	28,668,884

2.9 CASH AND CASH EQUIVALENTS

	As at 31st March, 2019	As at 31st March, 2018
Cash in hand	884,589	922,728
Balances with Banks		
In Current Account	1,437,393	223,904
In Deposit Account - Original Maturity of 3 Months or Less	0	0
	2321982	1146632

2.10 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2019	As at 31st March, 2018
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, 2019	As at 31st March, 2018
(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, 2019	As at 31st March, 2018
Interest Accrued on Fixed Deposit	0	0
Cash Flow Hedges	0	0
	0	0

2.13 CURRENT TAX ASSETS (NET)

	As at 31st March, 2019	As at 31st March, 2018
Advance Income Tax (Net of Provision)	217,133	0
GST (Net of Provision)	260,722	
	477855	0

2.14 OTHER CURRENT ASSETS

	As at 31st March, 2019	As at 31st March, 2018
Unsecured, Considered Good		
Advances to Suppliers	0	0
Prepaid Expenses	23,410	36,443
Other Advances	297,889	701,548
	321,299	737,991



2.15 EQUITY SHARE CAPITAL

	As at 31st March, 2019	As at 31st March, 2018
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
	5,50,00,000	5,50,00,000
	As at 31st March, 2019	As at 31st March, 2018
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
	3,24,00,000	3,24,00,000
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	32,40,000	32,40,000

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 Share	% 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, 2019	As at 31st March, 2018
Securities Premium Reserve	14000000	14000000
General Reserve	800000	800000
Capital Reserve	1589220	1589220
Retained Earnings	-3929620	-4839213
Other Comprehensive Income	0	0
	<u>12459600</u>	<u>11550007</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, 2019	As at 31st March, 2018
Secured		
Rupee Term Loan from Banks	56,119,802	47,831,030
Foreign Currency Term Loan from Banks		
Un-Secured		
Loans & Advances from Related Parties/ Shareholders & Directors	5,336,455	2,570,901
	<u>61,456,257</u>	<u>50,401,931</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	56,119,802	2,400,000	45,431,030
	<u>2400000</u>	<u>56119802</u>	<u>2400000</u>	<u>45431030</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, 2019	As at 31st March, 2018
Security and other Deposits	0	0
	0	0

2.19 NON-CURRENT PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
Employees Benefits - Gratuity etc	0	0
	0	0

2.20 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2019	MAT Credit Utilized	Charge for the C. Year Profit or Loss	Other Comprehensive Income	As at 31st March, 2018
Deferred Tax Liabilities:	0	0	0	0	0
Accumulated Depreciation	0	0	0	0	0
Fair Valuation of Equity Instruments and Bonds mea:	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	0	0	0	0	0
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, 2019		Charge for the C. Year Profit or Loss	Other Comprehensive Income	As at 31st March, 2018
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	0	0	0	0	0
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, 2019	As at 31st March, 2018
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, 2019	As at 31st March, 2018
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, 2019	As at 31st March, 2018
Due to Micro and Small Enterprises	0	0
Due to Related Parties	0	0
Others	9,286,933	4,599,019
	9,286,933	4,599,019

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, 2019	As at 31st March, 2018
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.)	0	300,831
Term Loan Installments repayable	2,400,000	0
	2,400,000	300,831

2.25 OTHER CURRENT LIABILITIES

	As at 31st March, 2019	As at 31st March, 2018
Statutory Liabilities	0	0
Advance from Customers	2,220,499	0
Deferred Revenue from Government Grant	-	0
Other Payables (including Employee Benefits Payable, Provision etc.)	273,852	0
	2494351	0



2.26 CURRENT PROVISIONS

	As at 31st March, 2019	As at 31st March, 2018
For Employee Benefits (Leave Encashment and Pension)	0	0
Provision for Taxation	520,328	295,328
	520328	295328

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, 2019	As at 31st March, 2018
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	286,819,982	180,491,294
Sale of Service:		
Educational Fee Receipt	5,102,460	4,186,981
Rent		684,000
	<u>291,922,442</u>	<u>185,362,275</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	1,857,862	509,751
	<u>1,857,862</u>	<u>509,751</u>

3.3 COST OF MATERIAL CONSUMED

	Current Year	Previous Year
Raw-Material Consumed		
Opening Stock	0	0
Add: Purchase & Incidental Expenses	37,444,252	0
Less: Closing Stock	2,691,943	0
Raw-Material Consumed	<u>34752309</u>	<u>0</u>
Packing Material, Stores & Chemicals consumed		
Opening Stock	0	0
Add: Purchase & Incidental Expenses	910,635	0
Less: Closing Stock	125,000	0
Packing Material, Stores & Chemicals consumed	<u>785635</u>	<u>0</u>
	<u>35537944</u>	<u>0</u>

3.4 PURCHASE OF STOCK-IN-TRADE

	Current Year	Previous Year
Purchase of Stock	234,878,367	168,366,495
	<u>234,878,367</u>	<u>168,366,495</u>



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

	Current Year	Previous Year
Opening Stock		
Finished Goods	63,264,353	61,837,681
Stock-in-Process	0	0
	63,264,353	61,837,681
Less: Closing Stock		
Finished Goods	63,659,228	63,264,353
Stock-in-Process	0	0
	63,659,228	63,264,353
(Increase)/Decrease in Stock	-394,875	-1,426,672

3.6 EMPLOYEES BENEFIT EXPENSES

	Current Year	Previous Year
Salaries, Wages and Bonus etc	3,152,510	1,815,600
Contribution to Provident and other funds	68,210	0
Staff Welfare Expenses	8,768	7,578
	3,229,488	1,823,178

3.7 FINANCE COST

	Current Year	Previous Year
Interest Expense	5,648,175	3,465,514
Other Finance Cost	283,617	585,888
	5,931,792	4,051,402



3.8 OTHER EXPENSES

	Current Year	Previous Year
Manufacturing Expenses		
Power and Fuel	1,305,818	551,271
Freight and Cartage	5,626,408	4,566,294
Administrative, Selling & Distribution Expenses		
Repairs & Maintenance	440,770	294,173
Office Expenses	192,004	99,361
Vehicle Running & Maintenance	228,420	-
Legal Expenses	-	104,677
Travelling Expenses	130,135	174,874
Director's/ CFO Remuneration	3,215,000	3,180,000
Insurance	29,078	39,345
Rate & Taxes & Fees	752,788	547,459
Auditor Fees	30,000	25,000
Postage, Telegram & telephone	31,860	79,081
Printing & Stationery	25,271	34,246
Miscellaneous Expenses	28,860	206,853
Professional & Consultancy Charges	30,000	146,000
Administrative Expenses	8,684	248,250
Advertisement & Publicity	347,561	506,092
	12,422,657	10,802,976

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

Notes to the Ind AS financial statements for the year ended March 31, 2019

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

a) Basis of preparation and compliance with Ind AS

For all periods upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2016 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2017 and succeeding years.

The financial statements for the year ended March 31, 2019 (the "Ind AS Financial Statements") have been prepared in accordance with Ind AS.

b) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Fair value measurement

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

c) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency.

All financial information presented in Rupees has been rounded to the nearest rupee.



RAKAN STEELS LIMITED

Notes to the Ind AS financial statements for the year ended March 31, 2019

SIGNIFICANT ACCOUNTING POLICIES

The Company has applied following accounting policies to all periods presented in the Ind AS Financial Statement.

a) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts, volume rebates, outgoing sales taxes and other indirect taxes excluding excise duty.

Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty. However, GST is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

Revenue from sales is recognised when all significant risks and rewards of ownership of the commodity sold are transferred to the customer, which generally coincides with delivery. Revenues from sale of by products are included in revenue.

b) Property, Plant and Equipment

(i) Property, plant and equipment

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2015. The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met when significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the



statement of profit and loss, when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(ii) Depreciation

Assets in the course of development or construction and freehold land are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use. Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a written down value basis over its expected useful life (determined by the management based on technical estimates), as follows:

The estimated useful lives of assets are as follows:

- Buildings 60 years
- Plant and equipments 15 years
- Furniture and fixtures 8 years
- Vehicles 8 years
- Office equipments 5 years
- Laboratory equipments 5 years
- Electrical Installations and equipments 10 years
- Computer and data processing units 3-10 years
- Individual items of assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

c) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

**d) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

e) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balance, as defined above.

f) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap which are valued at net realisable value. Costs incurred in bringing the inventory to its present location and conditions are accounted for as follows:

Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.

Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Obsolete inventories are identified and written down to net realisable value. Slow moving and defective inventories are identified and provided to net realisable value.

Inventory includes non-current item in form of purchase of land kept in and accounted as Stock-In-Trade.

g) Taxation**(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

When receivables and payables are stated with the amount of tax included, the net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

h) Retirement Benefits

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

i) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

j) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows



from operating, investing and financing activities of the Company are segregated based on the available information.

k) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.



RAKAN STEELS LIMITED

CIN: L27320UP1985PLC007582

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

Corporate Office: Anand Palace, 10/499, Allen Ganj, Kanpur-208002

E Mail: support@rakansteels.co.in

Tel no. +91-9598668666 WEB: www.rakansteels.co.in

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Thirty-Second** Annual General Meeting of Members of *Rakan Steels Limited* will be held on Monday, September 30, 2019 at 10:00 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, 2019 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, 2019, the reports of the Board of Directors and Auditors thereon laid before this meeting be and are hereby considered and adopted.”

2. *To appoint Mrs. Bindu Agarwal (DIN: 01578595), Director who retires by rotation and who being eligible offers herself 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, Mrs. Bindu Agarwal (DIN: 01578595) 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 appoint 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, 140 and other applicable provisions 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), M/s Rajani Mukesh & Associates., Chartered Accountants (FRN: 004072C) be and are hereby appointed as Statutory Auditors of the Company in place of the existing auditors M/s Maneesh Avneesh & Co., Chartered Accountants (FRN: 008433C) from whom a resignation letter has been received by the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 35th Annual General Meeting of the Company to be held in the year 2022 on such remuneration as may be fixed by the Board of Directors of the Company based on the recommendation of Audit Committee plus other related expenses.

RESOLVED FURTHER THAT Mr. Kannan Agarwal, Managing Director and/or Ms. Garima Priyani, Company Secretary of the Company be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution”.

SPECIAL BUSINESS:-

4. *Revision in terms of payment of remuneration to Mr. Kannan Agarwal, Managing Director of the Company (DIN: 07318672) and to consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:*

“RESOLVED THAT pursuant to provisions of Section 197(1) and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory re-enactment thereof for the time being in force) and on the recommendations made by the Nomination & Remuneration Committee, consent of the members of the Company be and is hereby accorded for payment of a monthly remuneration of Rs. 90,000 (Ninety thousand only) per month all inclusive to Mr. Kannan Agarwal (Managing Director) of the Company.

RESOLVED FURTHER THAT the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) be and is hereby authorized to revise,



amend, alter and vary the remuneration and other terms and conditions relating to payment of the Managing Director in such manner as may be permissible in accordance with the provisions of the Companies Act, 2013 and Schedule V as may be agreed to by and between the Board of Directors and Mr. Kannan Agarwal, without any further reference to the shareholders in general meeting .

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

RESOLVED FURTHER THAT any of the Directors of the Company and Ms. Garima Priyani (Company Secretary) be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution."

5. *Revision in terms of payment of remuneration to Mr. Sandeep Agarwal, Executive Director of the Company (DIN: 02957566) and to consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:*

"RESOLVED THAT pursuant to provisions of Section 197(1) and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory re-enactment thereof for the time being in force) and on the recommendations made by the Nomination & Remuneration Committee, consent of the members of the Company be and is hereby accorded for payment of a monthly remuneration of Rs. 90,000 (Ninety thousand only) per month all inclusive to Mr. Sandeep Agarwal (Executive Director) of the Company.

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



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

RESOLVED FURTHER THAT Mr. Kannan Agarwal, Managing Director and/or Ms. Garima Priyani, Company Secretary of the Company be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution”.

6. Revision in terms of payment of remuneration to Mrs. Bindu Agarwal, Executive Director of the Company (DIN: 01578595) and to consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to provisions of Section 197(1) and any other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory re-enactment thereof for the time being in force) and on the recommendations made by the Nomination & Remuneration Committee, consent of the members of the Company be and is hereby accorded for payment of a monthly remuneration of Rs. 90,000 (Ninety thousand only) per month all inclusive to Mrs. Bindu Agarwal (Executive Director) of the Company.

RESOLVED FURTHER THAT the Board of Directors (on the recommendations of the Nomination and Remuneration Committee) be and is hereby authorized to revise, amend, alter and vary the remuneration and other terms and conditions related to payments of the Executive-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 loss or inadequacy of profits during the tenure of service of Mrs. Bindu Agarwal as Director of the Company, the payment of salary, shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

RESOLVED FURTHER THAT Mr. Kannan Agarwal, Managing Director and/or Ms. Garima Priyani, Company Secretary of the Company be and is hereby



authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution”.

7. To re-appoint Mr. Umashanker Dixit (DIN: 02145858) as an Independent Director of the Company for a Second term of Five consecutive years and to consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meeting held on August 14, 2019 and pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the Articles of Association of the Company, Mr. Umashanker Dixit (DIN: 02145858), who was appointed as an Independent Director in the 27th Annual General Meeting of the Company and who holds office up to 32nd Annual General Meeting and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the company has received a Notice in writing from the member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term commencing from 32nd Annual General Meeting up to 37th Annual General Meeting, not liable to retire by rotation .

RESOLVED FURTHER THAT Mr. Kannan Agarwal, Managing Director and/or Ms. Garima Priyani, Company Secretary of the Company be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution”.

8. To re-appoint Mr. Mahendra Bahadur Singh (DIN: 03550534) as an Independent Director of the Company for a Second term of Five consecutive years and to consider and if thought fit, to pass, with or without modification/s, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meeting held on August 14, 2019 and pursuant to the provisions of Section 149, 150,



152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force) and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the Articles of Association of the Company, Mr. Mahendra Bahadur Singh (DIN: 03550534), who was appointed as an Independent Director in the 27th Annual General Meeting of the Company and who holds office up to 32nd Annual General Meeting and who is eligible for re-appointment and meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the company has received a Notice in writing from the member proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, to hold office for a second term commencing from 32nd Annual General Meeting up to 37th Annual General Meeting, not liable to retire by rotation .

RESOLVED FURTHER THAT Mr. Kannan Agarwal, Managing Director and/or Ms. Garima Priyani, Company Secretary of the Company be and is hereby authorized to take all actions and steps expedient or desirable to give effect to this aforesaid resolution”.

Date: 14/08/2019

Place: Kanpur

By the order of the Board

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 23, 2019 to September 30, 2019** (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 32nd 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 32nd 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 32nd 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 32nd 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 32nd 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.
- If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
- a) Click on “[Forgot User Details/Password?](#)” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.



- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 - e) Now, you will have to click on “Login” button.
 - f) After you click on the “Login” button, Home page of e-Voting will open.
- IV. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- V. 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).
- VI. The e-voting period commences on **September 27, 2019 (09:00 a.m.) and ends on September 29, 2019 (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 20, 2019** 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.
- VII. 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 20, 2019**.
- VIII. A copy of this notice has been placed on the website of the Company and website of NSDL. Practicing Company Secretary, *Mr. Vaibhav Agnihotri* (Certificate of Practice no. 21596) has been appointed as scrutinizer to scrutinize the e voting process in a fair and transparent manner.
- IX. 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 20, 2019** and not casting their vote electronically, may only cast their vote in the Annual General Meeting.
- X. 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.

- XI. The Results shall be declared on or after the 32nd 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 32nd Annual General Meeting of the Company on **September 30, 2019** 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, 5, 6, 7 & 8 of the accompanying Notice dated 14.08.2019.

Item - 2

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

BINDU AGARWAL

NAME	BINDU AGARWAL
DIN	01578595
FATHER'S NAME	SUKHDEO GOEL
DATE OF BIRTH	29/01/1967
AGE	52 YEARS
ADDRESS	705, ANAND PALACE, 10/499 KHALAASI LINE, KANPUR-208002
QUALIFICATION	GRADUATE
DATE OF FIRST APPOINTMENT ON THE BOARD	25/09/2010
EXPERIENCE	12 YEARS OF EXPERIENCE IN THE IRON & STEEL INDUSTRY
MEMBERSHIP/CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS AS ON 31.03.2019	NIL
SHAREHOLDING IN THE COMPANY AS ON 31.03.2019	81950 SHARES

The Board of Directors recommends Resolution No. 2 for approval by members.



Item-4

Section 197(1) provides that except with the approval of the members in a General Meeting, the remuneration payable to any one managing director; or whole-time director; or manager shall not exceed five percent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such directors.

Based on the recommendations made by the Nomination & Remuneration Committee on the basis of Performance Evaluation of the Board had decided to increase the remuneration to Rs. 90000 (Rupees Ninety Thousand Only).

Therefore, the resolution seeks approval of the members for payment of remuneration to Mr. Kannan Agarwal over the limit of 5 percent of the net profits of the Company.

Except Mr. Kannan Agarwal, Mr. Sandeep Agarwal, Mrs. Bindu Agarwal and Mrs. Vandana Agarwal, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way financially interested or concerned in the aforesaid resolution.

The Board of Directors recommends Resolution No. 4 for approval by members by way of passing a Special Resolution.

Item-5

Section 197(1) provides that except with the approval of the members in a General Meeting, the remuneration payable to any one managing director; or whole-time director; or manager shall not exceed five percent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such directors.

Based on the recommendations made by the Nomination & Remuneration Committee on the basis of Performance Evaluation of the Board had decided to increase the remuneration payable to Mr. Sandeep Agarwal to Rs. 90000 (Rupees Ninety Thousand Only).

Therefore, the resolution seeks approval of the members for payment of remuneration to Mr. Sandeep Agarwal over the limit of 5 percent of the net profits of the Company.



Except Mr. Kannan Agarwal, Mr. Sandeep Agarwal, Mrs. Bindu Agarwal and Mrs. Vandana Agarwal, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way financially interested or concerned in the aforesaid resolution.

The Board of Directors recommends Resolution No. 5 for approval by members by way of passing a Special Resolution.

Item-6

Section 197(1) provides that except with the approval of the members in a General Meeting, the remuneration payable to any one managing director; or whole-time director; or manager shall not exceed five percent of the net profits of the company and if there is more than one such director remuneration shall not exceed ten percent of the net profits to all such directors.

Moreover, the members in the Annual General Meeting convened on September 29, 2018 had approved the payment of remuneration of Rs. 75000 (Rupees Seventy-Five Thousand Only) to Mrs. Bindu Agarwal. Based on the recommendations made by the Nomination & Remuneration Committee on the basis of Performance Evaluation of the Board had decided to increase the remuneration to Rs. 90000 (Rupees Ninety Thousand Only).

Therefore, the resolution seeks approval of the members for payment of remuneration to Mrs. Bindu Agarwal over the limit of 5 percent of the net profits of the Company.

Except Mr. Kannan Agarwal, Mr. Sandeep Agarwal, Mrs. Bindu Agarwal and Mrs. Vandana Agarwal, none of the Directors, Key Managerial Personnel of the Company or their relatives is in any way financially interested or concerned in the aforesaid resolution.

The Board of Directors recommends Resolution No. 6 for approval by members by way of passing a Special Resolution.

Item-7

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Umashanker Dixit (DIN: 02145858) as Independent Director, for a second term of five years from 32nd AGM to 37th AGM, not liable to retire by rotation. He was appointed as Independent Director at the twenty-seventh Annual General Meeting ("AGM") of the Company and holds office



up to September 30, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director. The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Dixit would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and other applicable Regulations, the re-appointment of Mr. Umashanker Dixit as Independent Director is now being placed before the Members for their approval by way of Special Resolution. The Board recommends the Special Resolution at Item No. 7 of this Notice for approval of the Members.

The profile and specific areas of expertise of Mr. Umashanker Dixit are as follows:-

UMASHANKER DIXIT

NAME	UMASHANKER DIXIT
DIN	02145858
FATHER'S NAME	VINOD KUMAR DIXIT
DATE OF BIRTH	10/07/1976
AGE	43 YEARS
ADDRESS	64, GANDHI NAGER, UNNAO-209801 UP
QUALIFICATION	GRADUATE
DATE OF FIRST APPOINTMENT ON THE BOARD	08/08/2014
EXPERIENCE	8 YEARS OF EXPERIENCE IN THE IRON & STEEL INDUSTRY & BUSINESS ADMINISTRATION
MEMBERSHIP/CHAIRMANSHIP OF COMMITTEES OF OTHER BOARDS AS ON 31.03.2019	NIL
SHAREHOLDING IN THE COMPANY AS ON 31.03.2019	NIL



Except Mr. Umashanker Dixit, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 7 of the Notice.

Item-8

Based on the recommendations of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Mahendra Bahadur Singh (DIN: 03550534) as Independent Director, for a second term of five years from 32nd AGM to 37th AGM, not liable to retire by rotation. He was appointed as Independent Director at the twenty-seventh Annual General Meeting ("AGM") of the Company and holds office up to September 30, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director. The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Singh would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and other applicable Regulations, the re-appointment of Mr. Mahendra Bahadur Singh as Independent Director is now being placed before the Members for their approval by way of Special Resolution. The Board recommends the Special Resolution at Item No. 8 of this Notice for approval of the Members.

The profile and specific areas of expertise of Mr. Mahendra Bahadur Singh are as follows:-



MAHENDRA BAHADUR SINGH

NAME	MAHENDRA BAHADUR SIINGH
DIN	03550534
FATHER'S NAME	RAM NARAIN SINGH
DATE OF BIRTH	05/02/1953
AGE	66 YEARS
ADDRESS	11/231, SOUTER GANJ, SAI KRIPA APARTMENT, FIRST FLOOR, KANPUR-208001 UP
QUALIFICATION	GRADUATE
DATE OF FIRST APPOINTMENT ON THE BOARD	11/06/2011
EXPERIENCE	15 YEARS OF EXPERIENCE IN THE IRON & STEEL INDUSTRY & BUSINESS ADMINISTRATION
DIRECTORSHIPS ON OTHER BOARDS AS ON 31.03.2019	NON-EXECUTIVE DIRECTOR IN CORPORATE CONSULTANTS PRIVATE LIMITED
SHAREHOLDING IN THE COMPANY AS ON 31.03.2019	NIL

Except Mr. Mahendra Bahadur Singh, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 8 of the Notice.

Date: 14/08/2019

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: Anand Palace, 10/499, Allen Ganj, Kanpur-208002

E Mail: support@rakansteels.co.in

Tel no. +91-9598668666 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 Monday, the 30th day of September, 2019 at 10:00 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: Anand Palace, 10/499, Allen Ganj, Kanpur-208002

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 Monday, September 30, 2019 at 10:00 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, 2019.		
2.	Re-appointment of Mrs. Bindu Agarwal, (DIN: 01578595) Director who retires by rotation.		
3.	Appointment of M/s Rajani Mukesh & Associates (Firm Registration No. 004072C) as Statutory Auditors of the Company.		
Special Business:-			
4.	Revision in terms of remuneration paid to Mr. Kannan Agarwal (Managing Director) (DIN: 07318672) of the Company.		
5.	Revision in terms of remuneration paid to Mr. Sandeep Agarwal (Executive-Director) (DIN: 02957566) of the Company.		
6.	Revision in terms of remuneration paid to Mrs. Bindu Agarwal (Executive-Director) (DIN: 01578595) of the Company.		
7.	Re-appointment of Mr. Umashanker Dixit (DIN: 02145858) as an Independent Director for a second term of 5 consecutive years.		
8.	Re-appointment of Mr. Mahendra Bahadur Singh (DIN: 03550534) as an Independent Director for a second term of 5 consecutive years.		

Signed this day of 2019.

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 32nd ANNUAL GENERAL MEETING OF RAKAN STEELS LIMITED

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

