



NOTICE TO MEMBERS

Notice is hereby given that the Thirty-Third Annual General Meeting ('AGM') of the members of R. L. Steels & Energy Limited will be held on Saturday, the 31st August, 2019 at 11.00 a.m. at C-1/A, Nizamuddin East, Opp: Arya Samaj Mandir, Mathura Road, New Delhi-110013 to transact the following business:

AS ORDINARY BUSINESS

Item No.1: Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

Item No.2: Appointment of Shri. Pradeep Nijampurkar (DIN: 01805132) as a Director liable to retire by rotation

To appoint a Director in place of Shri. Pradeep Nijampurkar (DIN: 01805132), who retires by rotation and being eligible, offers himself for re-appointment.

AS SPECIAL BUSINESS:

Item No.3: Ratification of remuneration of the Cost Auditors

To Consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), M/s. M R Pandit & Company, Cost Accountants (Firm Registration No. 00268) be and are hereby appointed as Cost Auditors by the Board of Directors of the Company to conduct the audit of cost records of the Company for the financial year ending 31st March, 2020 at a remuneration of Rs.100,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of actual out of pocket expenses incurred by them in connection with the aforesaid audit.

RESOLVED FURTHER THAT any Director or Key Managerial Personnel of the Company be and is hereby severally authorized to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and further to do all such acts, deeds, matters and things as may be necessary, proper, desirable or expedient to give effect to this resolution.”



Item No. 4: Appointment of Shri. Sitaram Gupta as an Independent Director

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT Shri. Sitaram Gupta (DIN: 08372460), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 08th March 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 123 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Shri. Sitaram Gupta, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 08th March 2019 to 07th March 2024, be and is hereby approved.”

Item No. 5: Appointment of Smt. Shobha Maheshwari as an Independent Woman Director

To consider and, if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT Smt. Shobha Maheshwari (DIN: 08454635), who was appointed by the Board of Directors as an Additional Director of the Company with effect from 13th May 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) and Article 123 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act, as amended from time to time, the appointment of Smt. Shobha Maheshwari, who meets the criteria for independence as provided in Section 149(1) and 149(6) of the Act along with the rules framed thereunder, and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Woman Director of the Company, not liable to retire by rotation, for a term of five years commencing 13th May 2019 to 12th May 2024, be and is hereby approved.”



Item No. 6: Revision in the terms of payment of remuneration to Shri. N.K. Gupta, Managing Director & CEO (DIN 00062268)

“RESOLVED THAT in partial modification to the resolution passed by the members through Annual General Meeting on September 26, 2018 and subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for revision in the remuneration paid to Shri. N.K. Gupta, Managing Director & CEO (DIN 00062268) with effect from 01st April, 2019 till the remaining period of his tenure, as stated in the Explanatory Statement annexed to the Notice and details thereof contained in the Supplementary Agreement to be executed between the Company and Shri. N.K. Gupta, a draft of which is placed before the Meeting and initiated by the Chairman of the Board, for the purposes of identification.

RESOLVED FURTHER THAT the Board of Directors (which includes any committee thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

Item No. 7: Revision in the terms of payment of remuneration to Mr. Nitin Gupta, Whole-time Director (DIN 00062041)

RESOLVED THAT in partial modification to the resolution passed by the members through Annual General Meeting on September 26, 2018 and subject to the applicable provisions of Section 196, 197 and 203 read with Schedule V to the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company, approval of the Company be and is hereby accorded for revision in the remuneration paid to Shri. Nitin Gupta, Whole-time Director (DIN 00062041) with effect from 01st April, 2019 till the remaining period of his tenure, as stated in the Explanatory Statement annexed to the Notice and details thereof contained in the Supplementary Agreement to be executed between the Company and Shri. Nitin Gupta, a draft of which is placed before the Meeting and initiated by the Chairman of the Board, for the purposes of identification.



RESOLVED FURTHER THAT the Board of Directors (which includes any committee thereof) be and is hereby authorised to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and settle any/or all questions/ matters arising with respect to the above matter, and to execute all such deeds, documents, agreements and writings as may be necessary for the purpose of giving effect to this Resolution, take such further steps in this regard, as may be considered desirable or expedient by the Board in the best interest of the Company.”

Item No. 8: Approval for Related Party Transactions

To consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** pursuant to the provisions of of Section 188 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force), consent be and hereby accorded to ratify/ approve all existing contracts/arrangements/agreements and to enter into contract(s)/ transaction(s) with **Akar Auto Industries Limited** and **Akar Industries Private Limited**, related parties within the meaning of the aforesaid law, the value of which either singly or all taken together may exceed ten per cent of the annual turnover of the Company as per audited financial statements of the Financial Year 2018-19; having the following details and as detailed in the Explanatory Statement annexed hereto:

Sr. No.	Name of related party	Nature of transaction	Period of Contract/ Agreement	Amount (Rs. in Cr)
1	Akar Auto Industries Limited	Sale of Steel products	1st April 2019 to 31st March 2020	150.00
2	Akar Auto Industries Limited	Purchase of Raw Material	1st April 2019 to 31st March 2020	50.00
3	Akar Industries Private Limited	Sale of Steel products	1st April 2019 to 31st March 2020	60.00

RESOLVED FURTHER THAT pursuant to the provisions of section 189 of the Companies Act, 2013 (as amended or re-enacted from time to time) read with rule no 16 of the Companies (Meeting of Board and its Powers) Rules 2014, any Director or Key Managerial Personnel of the Company of the Company be and is hereby authorized to do the necessary entries in the Register of contracts or arrangements in which directors are interested and authenticate them.



RESOLVED FURTHER THAT the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds and things, to sign, execute all such documents, instruments in writing on an on-going basis as may be required in its absolute discretion pursuant to the above resolution.”

Place: Aurangabad
Date: 09th August, 2019

By order of the Board of Directors

R.L. GUPTA
DIN-00061861
Chairman



NOTES FOR MEMBERS' ATTENTION:

- 1 A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF. SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten per cent 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 person or shareholder.

The instrument appointing the proxy should, however, should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice.

- 2 An explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to Special Businesses to be transacted at the Annual General Meeting is attached hereto.
- 3 To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the company.
- 4 Electronic copy of the Annual Report As part of the Green Initiative of the Ministry of Corporate Affairs, the members who wish to receive notice/documents through e-mail may kindly intimate their e-mail addresses to the Company's Compliance Officer at corporate@rlsteels.com
- 6 There was no outstanding dividend payable for a period exceeding seven years from the date of declaration and therefore the provisions of Section 205A(5) and 205C of the Companies Act, 1956, that requires the unpaid or unclaimed dividend for a period of exceeding seven years to the Investor Education and Protection Fund (the IEPF) do not apply to the Company for the year. All members are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.
- 7 Members are requested to send all their documents and communication pertaining to shares to the Share Department of the Company at Corporate Office, Gut No.78 to 81, Pangra Shivar, Paithan Road, Aurangabad 431107, Maharashtra for equity shares.
- 8 Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Department for their doing needful.
- 9 Members are requested to notify change in address, if any, immediately to the Share Department quoting their folio numbers.



- 10 The Directors have furnished the requisite declarations for their appointment/re-appointment.
- 12 To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address as soon as possible.
- 13 Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report 2018-19 will also be available on the Company's website www.rlsteels.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days till the date of the meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same. For any communication, the shareholders may also send requests to the Company's investor email id: corporate@rlsteels.com

by order of the Board of Directors

R.L. GUPTA
DIN-00061861
Chairman

Place: Aurangabad
Date: 09th August, 2019



ANNEXURE TO THE NOTICE:

Explanatory Statement as required under Section 102 (1) of the Companies Act, 2013, setting out all material facts relating to the Special Business:

Item No.3:

In Pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to conduct audit of Cost Records of the Company.

The Board, on the recommendation of the Audit Committee has approved the appointment of M/s. M R Pandit & Company, Cost Accountants (Firm Registration No. 00268), as the Cost Auditors of the Company for the financial year ending March 31, 2020, at a remuneration of Rs. 1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of actual out-of-pocket expenses, if any. The remuneration payable to the Cost Auditors is required to be ratified by the members of the Company.

Accordingly, the consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution at Item No. 3 of the Notice.

The Board recommends the passing of an Ordinary Resolution as set out at Item No. 3 of the accompanying Notice.

Item No. 4 and 5:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Shri. Sitaram Gupta (DIN: 08372460) as Additional Director of the Company and also as Independent Directors, not liable to retire by rotation, for a term of 2 years i.e. from 08th March 2019 to 07th March 2021, subject to approval of the Members.

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Smt. Shobha Maheshwari (DIN: 08454635) as Additional Director of the Company and also as an Independent Woman Director, not liable to retire by rotation, for a term of 2 years i.e. from 13th May 2019 to 12th May 2021, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act and Article 123 of the Articles of Association of the Company, each of these Directors shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidature for the office of Directors.

The Company has received declarations from Shri. Sitaram Gupta and Smt. Shobha Maheshwari to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder. In the opinion of the



Board, each of these Directors fulfill the conditions specified in the Act and Rules as Independent Director and they are independent of the management of the Company.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and other applicable Regulations, the appointments of Shri. Sitaram Gupta and Smt. Shobha Maheshwari as Independent Directors are now being placed before the Members for their approval.

The Board recommends the Resolutions at Item Nos. 4 and 5 of this Notice for approval of the Members.

Shri. Sitaram Gupta and Smt. Shobha Maheshwari and their respective relatives, are concerned or interested, in the Resolutions relating to their own appointment. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolutions set out at Item Nos. 4 and 5 of the Notice.

Item No. 6:

The Members of the Company at the Annual General Meeting held on 26th September 2018 had approved the appointment of Shri. N.K. Gupta as Managing Director & CEO for a period of 5 years from 01 April, 2018 to 31 March, 2022, along with other terms & conditions of appointment, including payment of remuneration.

Considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the responsibilities borne by the Directors and the industry standards, the Board of Directors of the Company at its Meeting held on 09th August, 2019 has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, have approved revision in payment of remuneration to Shri. N.K. Gupta as Managing Director & CEO under the Companies Act, 2013 effective from 01st April, 2019 till the remaining period of his tenure.

1. Remuneration:

Basic Salary: **As may be decided by Nomination and Remuneration Committee from time to time depending on the performance of the Company in the scale of Rs. 4,00,000/- (Rupees Four Lakhs only) to Rs. 10,00,000/- (Rupees Ten Lakhs only) per month and will be reviewed by the Nomination and Remuneration Committee on 01st of April every year.**

2. Perquisites :

- a) Medical reimbursement: Expenses incurred for self and family as per the Company's rule.
- b) Term Insurance, Mediciam Insurance, and Personal Accident Insurance: Premium as per the Company's rule.
- c) Club Fees: Fees of maximum two Clubs excluding admission and life membership fees.
- d) Leave Travel Allowance: For self and family once a year in accordance with the rules of the Company.



- e) Contribution to provident fund, superannuation fund to the extent these either singly or put together are not taxable under the Income tax act, 1961.
- f) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- g) Encashment of leave at the end of the tenure.
- h) Car: Provision for car for use on Company's business will not be considered as perquisites.
- i) Telephone : Company will reimburse the expenses in connection with the telephone as per the rules of the company
- j) Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.
- k) Minimum Remuneration: Notwithstanding anything contained herein, where in any financial year, during the salary of the tenure of the appointee, the company has no profits or its profits are inadequate, the company may, subject to the requisite approval, pay remuneration by way of salary, perquisites not exceeding the maximum limit laid down in Section II of Part II of Schedule V to the companies Act, 2013, as may be agreed by the Board of Directors.

The terms and conditions of the said appointment and/or the Agreement are subject to provisions of Section 196,197 and 198 of the Companies Act, 2013, read with Part II of Schedule V and may be altered, and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

In Compliance with the provisions of the Companies Act, 2013 the appointment and the terms of remuneration specified above are now being placed before the Members in the Annual General Meeting for their approval. The Board recommends passing of the special Resolution in the best interest of the company.

The Board recommends the Resolutions at Item Nos. 6 of this Notice for approval of the Members.

Except Shri. N.K. Gupta, no Directors, Key Managerial Personnel of the Company or their relatives, is in any way related with Shri. N.K. Gupta or concerned or interested in the said Resolution.

Item No. 7:

The Members of the Company at the Annual General Meeting held on 26th September 2018 had approved the appointment of Shri. Nitin Gupta as Whole-time Director for a period of 5 years 01 April, 2018 to 31 March, 2022, along with other terms & conditions of appointment, including payment of remuneration.

Considering the significant growth achieved by the Company and the ambitious growth plan for immediate future, the responsibilities borne by the Directors and the industry standards, the Board of Directors of the Company at its Meeting held on 09th August, 2019 has pursuant to the recommendation of the Nomination and Remuneration Committee and subject to the approval of members, have approved



revision in payment of remuneration to Shri. Nitin Gupta as Whole-time Director under the Companies Act, 2013 effective from 01st April, 2019 till the remaining period of his tenure.

3. Remuneration:

Basic Salary: **As may be decided by Nomination and Remuneration Committee from time to time depending on the performance of the Company in the scale of Rs. 3,00,000/- (Rupees Three Lakhs only) to Rs. 8,00,000/- (Rupees Eight Lakhs only) per month and will be reviewed by the Nomination and Remuneration Committee on 01st of April every year.**

4. Perquisites :

- l) Medical reimbursement: Expenses incurred for self and family as per the Company's rule.
- m) Term Insurance, Mediclaim Insurance and Personal Accident Insurance: Premium as per the Company's rule.
- n) Club Fees: Fees of maximum two Clubs excluding admission and life membership fees.
- o) Leave Travel Allowance: For self and family once a year in accordance with the rules of the Company.
- p) Contribution to provident fund, superannuation fund to the extent these either singly or put together are not taxable under the Income tax act, 1961.
- q) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- r) Encashment of leave at the end of the tenure.
- s) Car: Provision for car for use on Company's business will not be considered as perquisites.
- t) Telephone : Company will reimburse the expenses in connection with the telephone as per the rules of the company
- u) Such other allowances, benefits, amenities, and facilities as per the Company's rules and policies.
- v) Minimum Remuneration: Notwithstanding anything contained herein, where in any financial year, during the salary of the tenure of the appointee, the company has no profits or its profits are inadequate, the company may, subject to the requisite approval, pay remuneration by way of salary, perquisites not exceeding the maximum limit laid down in Section II of Part II of Schedule V to the companies Act, 2013, as may be agreed by the Board of Directors.

The terms and conditions of the said appointment and/or the Agreement are subject to provisions of Section 196,197 and 198 of the Companies Act, 2013, read with Part II of Schedule V and may be altered, and varied from time to time by the Board of Directors as it may in its discretion deem fit within the maximum amount of remuneration payable in accordance with the applicable rules and regulations.

In Compliance with the provisions of the Companies Act, 2013 the appointment and the terms of remuneration specified above are now being placed before the Members in the Annual General Meeting for their approval. The Board recommends passing of the special Resolution in the best interest of the company.



The Board recommends the Resolutions at Item Nos. 6 of this Notice for approval of the Members.

Except Shri. Nitin Gupta, no Directors, Key Managerial Personnel of the Company or their relatives, is in any way related with Shri. Nitin Gupta or concerned or interested in the said Resolution

Item No. 8:

Members of the Company are further requested to note that Section 188(1) of the Companies Act, 2013 read with the relevant Rules made there under requires any transaction entered into between related parties for 'selling of Steel Products and Purchasing of Raw Materials' where the amount involved may exceeds Rs. 100,00,00,000 (Rupees Hundred Crore) or 10% of the turnover whichever is lower, to be approved by the members of the Company by way of a resolution. The said transactions are being entered into with related parties company, namely, **Akar Auto Industries Limited** and **Akar Industries Private Limited**.

Since these transactions could be construed as being outside the ordinary course of business, the approval of the members of the Company under Section 188 of the Company Act, 2013 is being sought by way of an ordinary resolution.

The Board recommends the Resolutions at Item Nos. 6 of this Notice for approval of the Members.

Executive Directors and their respective relatives are concerned or interested, in the Resolutions relating to all aforesaid transactions. None of the other Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in the Resolutions set out at Item Nos. 6 of the Notice.

By order of the Board of Directors

Place: Aurangabad.
Date: 09th August, 2019

R.L. GUPTA
DIN-00061861
Chairman