



# 21<sup>st</sup> Annual Report 2015-16



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## SRU STEELS LIMITED

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*Setting Standards in Steel Profiles*

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**SRU STEELS LIMITED**  
CIN: L17300DL1995PLC107286

**TWENTY FIRST ANNUAL REPORT  
2015-2016**

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

Mr. Naresh Kumar Garg	Chairman
Mr. Ramesh Agarwal	Managing Director
Mr. Ashok Kumar Mahawar	Director
Mr. Rajeev Mittal	Director
Mr. Prem Prakash Agarwal	Director
Mr. Pankaj Jain	Director
Mrs. Richa Agarwal	Director

**CHIEF FINANCIAL OFFICER**

Mr. Hitesh Laxmikant Somani

**COMPANY SECRETARY & COMPLIANCE OFFICER**

Ms. Shalini

**STATUTORY AUDITORS**

M/s B.M. Sharma & Associates  
Chartered Accountants,  
Kirti Sadan, 3507/6, Pyarelal Road,  
Bank Street, Karol Bagh,  
New Delhi – 110 005

**INTERNAL AUDITORS**

M/s P.R. Shah & Associates  
Chartered Accountants  
206, 1<sup>st</sup> Floor, Nirman House,  
NR. Sardar Patel, Under Bridge  
NR. Nabard, Usmanpura, Ahmadabad- 380013

**SECRETARIAL AUDITORS**

M/S ANAND NIMESH & ASSOCIATES  
Company Secretaries in Practice  
63/A-23, Second Floor, Gali No. 03,  
Near Gulab Sweet  
In front of V3S Mall, Gurunanak Pura,  
Laxmi Nagar, Delhi-110092

**BANKERS**

CITI FINANCIAL BANK  
KOTAK MAHINDRA BANK  
STATE BANK OF INDIA

**REGISTRAR & SHARE TRANSFER AGENTS**

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.,  
BEETAL HOUSE, 3<sup>rd</sup> Floor, 99, Madangir,  
Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir, New Delhi – 110 062  
Phone # 29961281, 29961282, Fax: 011-29961284  
E-mail: beetal@rediffmail.com

**CORPORATE IDENTIFICATION NO (CIN)**

L17300DL1995PLC107286

**REGISTERED OFFICE**

416-417-432, RAJENDRA JAINA TOWER- 1  
PLOT NO. 18, WAZIRPUR SHOPPING COMPLEX,  
DELHI –110 052 PH. NO: 011- 27474749

**CORPORATE OFFICE**

A-48, Wazirpur Industrial Area, Delhi-110052



**SRU STEELS LIMITED**

CIN: L17300DL1995PLC107286

**Registered Office:** 416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052

**Corporate Office:** A-48, Wazirpur Industrial Area, Delhi-110052

E-mail: srusteels@yahoo.in Website: www.srusteels.in

Tel: 011-27474749

**NOTICE**

Notice is hereby given that the Twenty First (21) Annual General Meeting (AGM) of the members of **SRU STEELS LIMITED** ("the Company") will be held on Friday, 30<sup>TH</sup> Day of September, 2016 at 10:00 A.M. at the Registered office of the Company at 416-417-432, Rajendra Jaina Tower-1 Plot No.18, Wazirpur Shopping Complex, Delhi – 110 052 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2016 including Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Ms. Richa Agarwal (DIN: 00082722), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
3. **Ratification of Appointment of Auditors**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof), the Company hereby approves and ratifies the appointment of M/s B. M. Sharma & Associates., Chartered Accountants (Firm Registration No. 007944N) as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the twenty-second AGM of the Company on a remuneration including terms of payment to be fixed by the Board of Directors of the Company.

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification, the following resolution a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 186 of the Companies Act, 2013 read with Rule 11 of the Companies (Meetings of Board and its powers), Rules, 2014 as amended from time to time and the Articles of Association of the Company, and all other applicable laws and subject to the necessary approval(s)/consent(s), sanction(s) and permission(s) as may be required, the consent of the members of the Company be accorded to the Board of Directors of the Company (which term shall include any Committee of the Directors) for:-

- 1) Giving any loan(s) to any person(s) or other body corporate(s).
- 2) Giving any guarantee(s) or providing security in connection with a loan(s) to any other body corporate or person.
- 3) Acquiring, whether by way of subscription, purchase or otherwise, the securities of the any other body corporate and/or

up to a limit of ₹ 200.00 Crores (Rupees Two Hundred Crores only) for such investments/loans/guarantees/securities, notwithstanding the aggregate of loans and investments so far made or to be made and guarantees and securities so far given or to be given by the Company may exceed/ will exceed the limits, either individually or in the aggregate, laid down by the Companies Act, 2013 i.e. 60% of the Company's paid-up share capital, free reserves and security premium account or 100% of the Company's free reserves and security premium account, whichever is more.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to negotiate and decide, from time to time, terms and conditions, execute necessary documents, papers, agreements etc for investment to be made, loans/ guarantees to be given



and securities to be provided to any person and/or any body corporate, and to do all such acts, deeds, matters and things, as may, in its absolute discretion, deem necessary, proper or desirable, settle any question, difficulty or doubt that may arise in this regard and to delegate all or any of these powers to any committee(s) of the Directors or the Managing Director or the Whole time Director or the officer of the Company or any other person.”

**By order of the Board of Directors  
For SRU Steels Limited**

	Sd/-	Sd/-
Place: New Delhi	Ramesh Agarwal	Naresh Kumar Garg
Date: August 13, 2016	Managing Director	Director & Chairman
	DN: 00151223	DN: 00986846

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the company.  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.  
Pursuant to the provisions of Section 150 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.  
A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the **Form No. MGT.11** annexed herewith.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days notice in writing is given to the Company.
4. Members/Proxies/authorised representative are requested to bring their duly filled Attendance Slip

along with the copy of the Annual Report to the meeting.

5. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified true copy of the board resolution/ Power of attorney authorizing their representative(s) to attend and vote on their behalf at the meeting.
6. 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.
7. The Register of Members and Share Transfer Books of the Company shall remain closed during the book closure period i.e. from Saturday, September 24, 2016 to Friday September 30, 2016 (both days inclusive).
8. (a) This Notice is being sent to all the members whose name appears as on Friday, August 19, 2016 in the register of members or beneficial owner as received from M/s Beetal Financial & Computer Services (P) Ltd, the Registrar and Transfer Agent of the Company.  
(b) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on Friday, September 23, 2016, being the cut-off date.  
Members are eligible to cast vote electronically only if they are holding shares as on that date.
9. Brief resume of the Director proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships/ Chairmanships of the Board Committees, shareholding and relationships between Directors *inter-se* as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, is annexed hereto and forms part of this Notice.
10. Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to consolidate their shareholdings into one folio.
11. Members are requested to send their queries at least 10 days before the date of meeting to the Company Secretary of the Company at the registered office of the Company, so that information can be made available at the meeting.
12. In terms of notification issued by the Securities Exchange Board of India (SEBI), equity shares of the Company are under compulsory demat trading by all investors. Members are, therefore, advised to dematerialize their shareholding to avoid inconvenience in trading in shares of the Company.
13. Members are requested to notify immediately any change of address.





- (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
  - (ii) to the Company's Registrar & Share Transfer Agents, Beetal Financial & Computer Services (P) Ltd at its office Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, BH-Local Shopping Complex Near Dada Harsukhdas Mandir, New Delhi-110062 in respect of their physical share folios, if any, quoting their folio numbers.
14. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents, M/s. Beetal Financial & Computer Services (P) Ltd.
  15. In terms of Section 72 of the Companies Act, 2013, a member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed **Form SH-13** (enclosed with this Notice) to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
  16. Pursuant to Section 101 and 136 of the Companies Act, 2013 read with relevant rules made thereunder, Companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail addresses either with the Company or with the Depository. Members who have not registered their e-mail addresses with the Company can now register the same by submitting a request letter in this respect to the Company/Registrar & Share Transfer Agents, M/s. Beetal Financial & Computer Services (P) Ltd. Members holding shares in demat form are requested to register their e-mail address with their Depository Participant(s) only.
  17. Electronic copy of Annual Report for the financial year 2015-16 along with Notice of the 21<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent to all the members whose e-mail IDs are registered with the Company or the Depository Participant(s) for communication purpose unless the member has requested for a hard copy of the same. For members who have not registered their address, physical copies of Annual Report alongwith Notice of 21<sup>st</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form is being sent in the permitted mode.
  18. Beetal Financial & Computer Services Pvt. Ltd. is the Register and Share Transfer (RTA's) of the Company. All investor relation communication may be sent to RTA's at the following address:  
Beetal Financial & Computer Services Pvt. Ltd  
Beetal House, 3<sup>rd</sup> Floor,  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukhdass Mandir, New Delhi-110062  
Ph. 011-29961281-283, Fax.011-29961284  
Email id: beetalrta@gmail.com
  19. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of 21<sup>st</sup> Annual General Meeting and holding shares as of the cut of date i.e. Friday, September 23, 2016, may follow the same procedure as mentioned in the instructions below. However if you are already registered with CDSL for remote e-voting then you can use your existing password for casting your vote. If you have forgotten your login password then go to website [www.evotingindia.com](http://www.evotingindia.com) then click on shareholders, enter the User ID and the image verification code and click Forgot Password and enter the details as prompted by the system.
  20. The route map showing directions to reach the venue of the Twenty First (21) Annual General Meeting is enclosed.
  21. **Voting through electronic means**
    - I. In compliance to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as substituted by the Companies (Management & Administration) Rules, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to members to exercise their right to vote at the Annual General Meeting by electronic means. The Company has engaged the services of Central Depository Services Limited (CDSL) in respect of all the business to be transacted at the aforesaid Annual General Meeting. However, it may be noted that E-voting is optional.  
  
The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:



**The instructions for shareholders voting electronically are as under:**

- (i) The remote e-voting facility will be available during the following period:
  - Commencement of remote e-voting-from 9:00 am on Tuesday, September 27, 2016.
  - End of remote e-voting- upto 5:00 pm on Thursday, September 29, 2016.

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 23, 2016, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**For Members holding shares in Demat Form and Physical Form**

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.



- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (xi) Click on the EVSN for the relevant SRUSTEELSLIMITED on which you choose to vote.
  - (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
  - (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system
  - (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
  - (xix) Note for Non – Individual Shareholders and Custodians
    - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- II. Members may note that the Notice of the 21<sup>st</sup> Annual General Meeting and Annual Report for the financial year ended 2015-16 will also be available on the Company's website [www.srusteels.in](http://www.srusteels.in) for their download.
  - III. The remote e-voting period commences on Tuesday, September 27, 2016 (9:00 am) and ends on Thursday, September 29, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date of Friday, September 23, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - IV. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
  - V. Since the Company is required to provide members the facility to exercise their right to vote by electronic means, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on cut-off date Friday, September 23, 2016 and not casting their vote electronically may only cast their vote at the Annual General Meeting through ballot paper.
  - VI. The Board of Directors of the Company has appointed M/s Avinash Pandey & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the poll and remote e-voting process in a fair and





- transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
- VII. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.
- VIII. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at-least two persons not in the employment of the Company and make not later than 48 hours from the conclusion of the meeting a consolidated Scrutinizer's report of the total cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- IX. The results shall be declared on or after the Annual General Meeting. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website [www.srusteels.in](http://www.srusteels.in) and on the website of CSDL within 48 hours from the passing of the resolutions at the Annual General Meeting and the same shall also be simultaneously communicated to the Stock Exchange(s), where the equity shares of the Company are listed.
- X. In case you have any queries or issues regarding e-voting, you may refer to 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of CSDL's e-voting website [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- XI. If you are already registered with CDSL for e-voting then you can use your existing User ID and Password for casting vote.
- XII. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
- XIII. Your Login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are shareholder.
22. In terms of Section-149 of the Companies Act, 2013, the provisions of retirement by rotation are not applicable to independent directors. Therefore Ms. Richa Agarwal, Managing Director, retire by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.
23. M/s B.M Sharma and Associates, Chartered Accountants have submitted their certificate expressing their eligibility for re-appointment as Statutory Auditor of the Company in term of Section 139(1) of the Companies Act, 2013 and Rules made thereunder.
24. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
25. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company are open for inspection at the Registered Office of the Company, during the office hours, on all working days between 9.30 A.M. to 1.00 P.M. upto the date of Annual General Meeting.
26. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**By order of the Board of Directors  
For SRU Steels Limited**

Place: New Delhi  
Date: August 13, 2016

Sd/-  
Ramesh Agarwal  
Managing Director  
DIN: 00151223

Sd/-  
Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No.4**

**To provide Loan, Guarantee, security and investment**

Your Company, during the course of the its business activities, and in order to achieve greater financial flexibility, would be required to invest its surplus funds for optimal utilization, by way of giving loans(s) and/or giving guarantee(s) and/or providing security (ies) to any other persons and/ or any other body corporate(s) and/or acquisition of securities of any other body corporate(s).

It is therefore, proposed to authorise the Board of Directors of the Company to invest by way of subscriptions and/ or purchase of securities of other body corporate(s) and to grant loan(s), giving guarantee(s) and/or providing security (ies) for an amount not exceeding ₹ 200 Crores (Rupees Two Hundred Crores Only) from time to time to one or more of the persons/entities/other body corporate(s).

Pursuant to Section 186 of the Companies Act, 2013 and Rule 11 of the Companies (Meeting of Board and its Powers) Rules, 2014 and other applicable provisions, if any, the Company can make loans, give guarantees, provides securities to any other person/other bodies corporate and make investments in the securities of other

bodies corporate to the extent of 60% of its paid up share capital and free reserves and security premium account or 100% of free reserves and security premium account, whichever is higher, with the approval of the Board of Directors. Where the aggregate of loans and investments made or proposed to be made, guarantees given or proposed to be given and securities provided or proposed to be provided exceeds the aforesaid limits, prior approval of the shareholders is required by way of passing a special resolution.

The Board of Directors, therefore, recommends passing of this resolution as a Special Resolution.

None of the Directors of the Company or their relatives may be deemed to be interested in the proposed resolution.

None of the key managerial personnel or their relatives may be deemed to be interested in the proposed resolution.

The resolution is proposed for your consideration and approval.

**By order of the Board of Directors  
For SRU Steels Limited**

Place: New Delhi  
Date: August 13, 2016

Sd/-  
Ramesh Agarwal  
Managing Director  
DIN: 00151223

Sd/-  
Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846

**ANNEXURE TO ITEM- 02 OF THE NOTICE**

Relevant details of Director Seeking appointment/re-appointment at Twenty First (21<sup>st</sup>) Annual General Meeting (pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015) and Secretarial Standard-2 of General Meeting are as follows:

<b>Name of the Director</b>	<b>Ms. Richa Agarwal</b>
<b>DIN</b>	00082722
<b>Date of Birth</b>	27/06/1985
<b>Nationality</b>	Indian
<b>Date of appointment on the Board</b>	23/06/2014
<b>Qualifications</b>	Graduate
<b>Expertise in Specific Functional Area</b>	Having more than 7 years of experience in field of Interior Designer.Excellent relationship management skill coupled with extensive contract in the industry, regulatory and business circles.Effective leadership and motivation skill for setting higher goals and standards and driving the team to achieve the same. Providing direction and counsel to the executive management for exceeding business targets.Strongly pursues for adhering and installing Company's values in the workforce and promoting good governance culture across the organization.
<b>Number of shares held in the Company</b>	NIL
<b>List of Directorships held in other companies</b>	Indraesh Developers Private Limited Bahula Finvest Company Private Limited Mahodari Finvest Company Private Limited
<b>Chairman/Member of the Committees of the Board of companies in which he is a Director</b>	NIL
<b>Relationship between Directors inter-se</b>	N.A



## DIRECTORS' REPORT

To the Members,

Yours Directors take pleasure in presenting the 21<sup>st</sup> (Twenty First) Annual Report of your Company together with the Audited Accounts for the year ended March 31, 2016.

### 1. Financial Summary/ Performance of the Company:

(Amount in ₹)

PARTICULARS	CURRENT YR. (2015-2016)	PREVIOUS YR. (2014-2015)
<b>Income</b>	<b>1,22,14,710</b>	1,14,15,712
<b>Profit before Interest and Depreciation &amp; Amortisation Expenses</b>	<b>34,10,037</b>	27,81,633
<b>Less: Interest</b>	<b>Nil</b>	Nil
<b>Depreciation &amp; Amortisation</b>	<b>5,82,119</b>	3,98,667
<b>Profit before tax</b>	<b>28,27,918</b>	23,82,966
Current Tax	<b>9,13,860</b>	7,77,278
Deferred Tax	<b>(49,618)</b>	(39,242)
<b>Net Profit after tax</b>	<b>19,63,676</b>	16,44,930
<b>Sub: Total</b>	<b>19,63,676</b>	16,44,930
<b>Appropriation:</b>	<b>Nil</b>	Nil
<b>Surplus carried to Balance Sheet</b>	<b>19,63,676</b>	16,44,930
<b>EPS</b>	<b>0.246</b>	0.390

#### a) Dividend

It is endeavor of your Company to make optimum use of its funds for ongoing setup, Expansion and Working Capital requirements. Keeping in mind the aforesaid factors your Directors have decided not to recommend any Dividend for the year ended 31<sup>st</sup> March 2016.

#### b) Share Capital

The paid up share capital of your Company as on March 31, 2016 was ₹ 7,99,19,000 divided into 79,91,900 equity shares of ₹ 10/- each. During the year under review, your Company has neither issued equity share capital with differential voting rights nor granted stock options nor sweat equity.

### 2. Operations Review and the state of affairs of the Company

As you are aware that your Company is engaged in the business of almost all kinds of varieties of steels, stainless steels, mild steels, carbon

iron steel and acting as consignment agent etc.

The Company, during the Current financial year, would focus on all kinds of varieties of steels etc. This would strengthen the generation and sustainability of revenue in the years to come.

Your Company achieved total revenue of ₹ 1,22,14,710/- in 2015-16 (as against ₹ 1,14,15,712/- in (2014-15).

### 3. Transfer to Reserves

Your Company has transferred a sum of ₹ 19,63,676/- to the General Reserves.

### 4. Listing of Shares

Your Company equity shares are listed at Delhi Stock Exchange (Primary Stock Exchange), Ludhiana Stock Exchange and Ahmadabad Stock Exchange. However the Recognition of Delhi Stock Exchange withdrawn by SEBI w.e.f November 19, 2014 and Recognition of Ludhiana Stock Exchange withdrawn by SEBI w.e.f December 30, 2014.

The Company has due to non-operational of the above said exchange filled an application to Bombay Stock Exchange (BSE) for listing of its securities and the same is under process.

### 5. Subsidiary Company

The Company does not have any subsidiary Company.

### 6. Conservation Of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

The information relating to Conversion of energy, technology absorption, foreign Exchange Earning and outgo, pursuant to section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014 is enclosed as **Annexure-I** and forms par to this Report.

### 7. Details of Board Meeting

During the year 10 (Ten) Board Meetings and 5 (Five) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report.

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Board meeting dates are finalized in consultation with all directors and agenda papers backed up by comprehensive notes and detailed background information are circulated well in advance before the date of the meeting thereby enabling the Board to take informed decisions.

### 8. Extract of Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') read with rule 12(1) of Companies (Management and Administration) Rules, 2014, extract



of Annual Return is annexed as 'Annexure-II'.

**9. Managing the Risks of Fraud, Corruption and Unethical Business Practices**

**Vigil Mechanism / Whistle Blower Policy**

Our Company has established a "Vigil Mechanism" for its employees and Directors, enabling them to report any concerns of unethical behaviour, suspected fraud or violation of the Company's code of conduct.

To this effect the Board has adopted a "Whistle Blower Policy" (WBP), which is overseen by the Audit Committee. The policy provides safeguards against victimization of the whistle blower. Employees and other shareholders have direct access to the chairman of the Audit Committee for lodging concern if any, for review.

The Board has formulated policy on Whistle Blower and the same may be accessed at the web-link <http://srusteels.in/pdfs/Vigil%20Mechanism.pdf>.

**10. Directors' Responsibility Statement**

The Board of Directors hereby confirm and accept the responsibility for the following in respect of the Audited Annual Accounts for the financial year ended March 31, 2016:

- (a) that in the preparation of the annual accounts for the financial year ending 31<sup>st</sup> March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are 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 and loss of the Company for that period;
- (c) that the directors had 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;
- (d) that the annual accounts/financial statements have been prepared on a going concern basis; and
- (e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- (f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**11. Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013**

Details of Loans, Guarantees and Investments, if any covered under the provisions of Section 186 of the Act are given in the notes to the Financial Statements.

There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company at large and thus disclosure in the Form AOC-2 is not required.

**12. Auditors**

**i) Statutory Report and their Report**

Pursuant to the requirement of Section 139 of the Companies Act, 2013, the appointment of Statutory Auditors is to be ratified by the members at every Annual General Meeting. Members are requested to ratify the appointment of M/s B. M. Sharma and Associates, Statutory Auditors of the Company for the financial year 2016-2017.

The Company has received written consent and certificate from M/s B.M Sharma & Associates, Chartered Accountants in keeping with the requirement of Section 139 of the Companies Act, 2013 and allied Rules thereunder.

The Notes on Financial Statements referred to in the Auditors' Report are self-explanatory and, therefore, do not call for further clarification. The Auditor's Report for Financial year ended March 31, 2016 does not have any qualifications.

**Explanation to comment in the Independent Auditors Report**

1. With reference to the comment made by the auditors in Para (Vii)(b) of Annexure-1, the Board wishes to state that a penalty of ₹ 4,22,000/- (Rupees Four Lakh Twenty Two Thousand Only) has been raised by Income tax Act departments for the assessment year 1998-99.

The Company has filed an appeal against said penalty which was pending before the Punjab and Haryana High Court and your company has been advised that no liability is crystallized on this account. The said amount has been shown under the head contingent liabilities and commitments at note no. 2.19 in the financial statement for year ended on March 31, 2016.

**ii) Cost Auditors**

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, requirements of cost auditors are not applicable to the Company.



**iii) Secretarial Auditors and Secretarial Audit Report**

In term so of Section 204(1) of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Anand Nimesh & Associates, Company Secretaries, Delhi to do the secretarial audit of the Company for the financial year April 01, 2015 to 31 March, 2016. The said firm has issued their consent to do the secretarial audit for the company for the said period.

Their appointment was informed to the Registrar of Companies, Delhi vide form MGT-14 dated 04<sup>th</sup> September, 2015 vide SRN C63066583.

M/s Anand Nimesh & Associates, Company Secretaries, have now completed their secretarial audit and have issued their certificate as per prescribed format in MR-3 to the shareholders of the Company, which is annexed to this Report as **Annexure-III**.

They have no observations in their report and have confirmed that the Company has proper board processes and a compliance mechanism in place. They have also complied with the relevant statutes, rules and regulations applicable to the Company and with the applicable secretarial standards.

**iv) Internal Auditors**

The Board of Directors of your Company has re-appointed M/s P. R. Shah & Associates, Chartered Accountants as the Internal Auditors of the Company pursuant to the provisions of Section 138 of the Companies Act, 2013 for the financial year 2016-17.

**13. Related Party Transactions and Policy on Related Party Transactions**

All the transactions, if entered were on an arm's length basis and were in the ordinary course of business and are in compliance of the provisions of the SEBI (LODR) Regulation, 2015. There are no materially significant related party transactions made by the company which may have potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required.

Omnibus approvals are obtained for related party transactions which are repetitive in nature. In respect of unforeseen transactions, specific approvals would be taken, if required.

All related party transactions are approved/ reviewed by the Audit Committee on quarterly basis, with all the necessary details and are presented to the Board and taken on record.

The Board has formulated policy on Related Party Transactions and it may be accessed at the website of the company i.e. [www.srusteels.in](http://www.srusteels.in)

**14. Internal Financial Control**

The Company has in place an established internal control system to ensure proper recording of financial & operational information, compliance of various internal control and other regulatory/statutory compliances. All internal Audit findings and control systems are periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on internal control.

**15. Risk Management Policy**

In Compliance with the requirement of the Companies Act, 2013 the Company has put in place Risk Minimization and Assessment Procedure. In order to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy.

The objective of any risk identification and assessment process is to evaluate the combination of likelihood and level of negative impacts from an event. The three main components of risk assessment are business risk, service/operational risk and external risk.

The Company manages the risk in line with current risk management best practices.

This facilitates the achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making and compliance with applicable law and regulations.

The Board has formulated policy on Risk Management policy on Risk Management and the same may be accessed at the web-link <http://srusteels.in/pdfs/Risk%20Management%20Policy.pdf>.

**16. Committees of Board**

**(i) CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having net worth of ₹500 Crores or more, or turnover of ₹1000 Crores or a net profit of ₹5 Crores or more during any financial year shall constitute a Corporate Social responsibility Committee of the Board consisting of 3 or more directors, out of which at least one shall be an Independent Director.

During the year under review, none of the condition as prescribed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 are applicable to the company; hence the provision is not applicable.





**(ii) Audit Committee**

Your Company has Audit Committee of Board of Directors, with Shri. Rajiv Mittal as Chairman, Shri Prem Prakash Agarwal, and Shri Pankaj Jain as other members.

The terms of reference are confined to new Companies Act 2013 & Regulation 18 of SEBI (Listing Obligations and Disclosure Requirement), Regulation, 2015.

The details of meetings with attendance thereof and terms of reference of Audit Committee have been provided in the Corporate Governance Report which forms part of this report.

**(iii) Nomination and Remuneration Committee**

In terms of Section 178 of the Companies Act, 2013 ('Act') read with Companies (Meeting of the Board and its Power) Rules, 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirement), Regulation, 2015, your Company has in place duly constituted Nomination and Remuneration Committee. The details of the composition of the committee along with other details are available in the Corporate Governance which is forming part of this Annual Report.

The details of the Remuneration Policy are given as 'Annexure-IV' forming part of this Report.

It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

**(iv) Stakeholder Relationship Committee**

The Company has also formed Stakeholder's Relationship Committee in compliance to the Companies Act, 2013 & Regulation 20 of SEBI (Listing Obligations and Disclosure Requirement), Regulation, 2015. The details about the composition of the said committee of the Board of Directors alongwith attendance thereof has been provided in the Corporate Governance Report forming part of this report.

**17. Declaration from Independent Directors on Annual Basis**

As required under Section 149(7) of the Companies Act, 2013 all the Independent Directors on the Board of the Company have individually issued their annual declaration stating that they meet all the criteria of independence as required under the Act.

**18. Directors & Key Managerial Personnel**

**i) Retirement by Rotation**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Article of Association of the Company read with Companies (Appointment and Qualification of

Directors) Rules, 2014 Ms. Richa Agarwal (DIN: 00082722) retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 regarding Ms. Richa Agarwal are provided in the 21<sup>st</sup> Annual General Meeting. The Board recommends her re-appointment.

**ii) Appointment**

Ms. Shalini, who was appointed by the Board of Directors as a Company Secretary & Compliance officer of the Company pursuant to Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 w.e.f May 15, 2016.

**iii) Cessation**

During the year under review Ms. Sonam Singhal, Company Secretary and Compliance Officer of the Company was resigned from the Company w.e.f December 31, 2015.

**iv) Woman Director**

In terms of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has appointed Ms. Richa Agarwal (DIN: 00082722) who is serving on the Board of the Company, since the year 2014.

**v) Independent Directors**

All independent Directors hold office for a fixed period of five years and are not liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The terms of appointment of Independent Directors as available in the Company's web site [www.srusteels.in](http://www.srusteels.in).

**vi) Separate Meeting of Independent Directors**

A separate meeting of Independent Directors for the year 2015-2016 was held on 12<sup>th</sup> February, 2016. The Independent Directors actively participated and provided guidance to the Company in all its spheres.





#### **19. Evaluation of the Board's Performance**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

A Separate meeting of the independent directors (Annual Independent Director meeting) was convened, which reviewed the performance of the Board (as a whole), the non-independent directors and the chairman. Post of Annual ID meeting, the collective feedback of each of the independent directors was discussed by the Chairman of the Nomination and Remuneration Committee with the Board's Chairman covering performance of the Board as a whole performance of the non-independent directors and performance of the Board Chairman.

#### **20. Explanation or Comment or qualification, reservation or adverse remarks or disclaimers made by the Auditors in their report.**

There were no qualifications, reservation or adverse remarks made by the Auditors in their respective reports.

#### **21. Fixed Deposit**

Your Company has not invited or accepted any fixed deposits from the public in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

#### **22. Significant and material orders passed by the regulators**

During the year under review, an order has been passed by the respective Hon'ble High Court of Delhi in pursuance of Section 391 to 394 of the Companies Act, 1956 relating to merger of 7 (Seven) Companies (Transferor's Companies) with your company (Transferee Company) expect this there no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

#### **23. Corporate Governance**

As per the requirement of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 executed with the Stock Exchange(s), a report on Corporate Governance is annexed, which forms part of this Annual Report. A certificate from a Statutory Auditor of the Company confirming compliance with the conditions of Corporate Governance is also annexed.

#### **24. Management Discussion & Analysis Report**

Management Discussion & Analysis Report is to annexed forming part of this Annual Report.

#### **25. Sexual Harassment of Woman at work place**

The Company has zero tolerance for sexual harassment at workplace and has formulated a policy on Prevention, Prohibition and Redressal of Sexual harassment at the workplace, in line with the provisions of the Sexual Harassment of woman at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules there under.

The Policy aim to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has also constituted an internal Complaints Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

There were no complaint received from any employee during the financial year 2015-2016 and hence no complaint is outstanding as on March 31, 2016.

#### **26. Independent Director's familiarisation Programme**

As per requirement under the provisions of Section 178 of the Companies Act, 2013 read with Companies (Meeting of the Board and its powers) Rules, 2014 and SEBI (LODR), your Company had adopted a familiarisation programme for independent directors to familiarise them with the Company, their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, management structure, industry overview, internal control system and processes, risk management framework, functioning of various divisions, HR Management etc.

Your company aims to provide its independent Directors, insight into the Company enabling them to contribute effectively.

The details of familiarisation program may be accessed at the web-link [http://srusteels.in/pdfs/FAMILIARISATION\\_PROGRAMME\\_FOR\\_INDEPENDENT\\_DIRECTORS\(1\).pdf](http://srusteels.in/pdfs/FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS(1).pdf).

#### **27. Particulars of Employees**

In terms of the provision Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel), Amendment Rules, 2016, a statement showing the names and other particulars of the top ten employees and the employees drawing



remuneration in excess of the limits set out in the said rules is enclosed as 'Annexure-V' and forms part of this Report.

**28. Managerial Remuneration**

The information required under Section 197(12) of the Companies Act, 2013 read with Rules 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in 'Annexure-VI', forming part of this report.

**29. Material changes and commitments affecting the financial position of the Company after 31 March 2016**

There has been no material Change and Commitment affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

**30. Buy Back of Securities**

The Company has not bought back its securities during the year under review.

**31. Sweat Equity**

The Company has not issued any Sweat Equity shares during the year under review.

**32. Bonus Shares**

No Bonus shares were issued during the year under review.

**33. Employee Stock Option Scheme**

The Company has not provided any Stock Option Scheme during the year under review.

**34. Change in the nature of Business, if any**

There has been no material change in the nature of business during the period under review.

**35. Secretarial Standards**

As on March 31, 2016 the Secretarial Standard 1 & 2 on Board Meeting have been notified and the Company has complied with the requirements of the said Secretarial Standards.

A Certificate of compliances issued by the Secretarial Auditor M/s Anand Nimesh & Associates is enclosed as 'Annexure-III' and forms part of this Report.

**Acknowledgements**

The Directors place on record their appreciation for the assistance, help and guidance provided to the Company by the Bankers and Authorities of State Government and Central Government from time to time. The Directors also place on record their gratitude to employees and shareholders of the Company for their continued support and confidence reposed in the management of the Company.

**By order of the Board of Directors  
For SRU Steels Limited**

Place: New Delhi  
Date: August 13, 2016

Sd/-  
Ramesh Agarwal  
Managing Director  
DIN: 00151223

Sd/-  
Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846



**Annexure-I**

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2016

<b>A. Conservation of Energy</b>	
(i) the steps taken or impact on conservation of energy	N.A
(ii) the steps taken by the company for utilising alternate sources of energy:	N.A
(iii) the capital investment on energy conservation equipments:	N.A
<b>B. Technology absorption</b>	
(i) the efforts made towards technology absorption:	N.A
(ii) the benefit derived like product improvement, cost reduction, product development or import substitution:	N.A
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	N.A
a) the details of technology imported;	N.A
b) the year of import;	N.A
c) whether the technology been fully absorbed	N.A
d) if not fully absorbed, area where absorption has not taken place, and the reasons thereof; and the expenditure incurred on Reserch and Development	N.A

**Note:**

Since your Company has not involved in manufactuirng operations, the requirements pertaining to disclosure of particulars relating toconservation of energy, research & deoptment and technology absorption, as prescribed under the Companies (Accounts) Rules, 2014 are not applicable.

**C. Foreign Exchange Earning and outgo**

The company does not have any export sale, hence the respective point is not applicable.

**Amount In ₹**

Particulars	Financial Year ended March 31, 2016	Financial Year ended March 31, 2015
Foreign Exchange Earned	Nil	Nil
Foreign Exchange used	Nil	Nil

Place: New Delhi  
Date: August 13, 2016

For and on behalf of the Baord  
SRU Steels Limited

Sd/-  
Ramesh Agarwal  
Managing Director  
DIN: 00151223

For and on behalf of the Baord  
SRU Steels Limited

Sd/-  
Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846



**MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2016**

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1)  
of the Companies (Management & Administration) Rules, 2014

**I REGISTRATION & OTHER DETAILS:**

1	CIN	L17300DL1995PLC107286
2	Registration Date	11/09/1995
3	Name of the Company	SRU STEELS LIMITED
4	Category/Sub-category of the Company	Company having Share Capital
5	Address of the Registered office & Contact details	416-417-432, RAJENDRA JAINA TOWER-I PLOT NO. 18, WAZIRPUR SHOPPING COMPLEX, DELHI- 110052
6	Whether listed Company	Yes
7	Name, Address & contact details of the Register & Transfer Agent, if any	BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED 3RD FLOOR, 99 MADANGIR NEW DELHI-110062

**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:

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Ferrous and Non- Ferrous Alloys	46109- The Company is primarily engaged in the business of "Trading of Stainless Steels	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

SNo.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associates	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.
2	N.A.	N.A.	N.A.	N.A.	N.A.



**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

**I. Category-wise Share Holding**

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
<b>(A) Promoter and Promoter Group<sup>2</sup></b>										
<b>1 Indian</b>										
(a)	Individuals/Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	0	1547000	1547000	19.36	0	1547000	1547000	19.36	0
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0	0	0	0
	<b>Sub Total(A)(1)</b>	0	1547000	1547000	19.36	0	1547000	1547000	19.36	0
<b>2 Foreign</b>										
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
b	Bodies Corporate	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0
d	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e	Any Others (Specify)	0	0	0	0	0	0	0	0	0
	<b>Sub Total(A)(2)</b>	0	0	0	0	0	0	0	0	0
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	0	1547000	1547000	19.36	0	1547000	1547000	19.36	0
<b>(B) Public shareholding</b>										
<b>1 Institutions</b>										
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(c)	Central Government/ State Govt(s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>									
<b>B 2 Non-institutions</b>										
(a)	Bodies Corporate	0	996500	996500	12.47	0	996500	996500	12.47	0.00
(b)	Individuals									
i	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	10000	748900	758900	9.50	10000	757800	767800	9.61	0.11
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	0	3729000	3729000	46.66	2093000	1627100	3720100	46.55	-0.11
(c)	Others (Specify)	8500	952000	960500	12.01	831000	129500	960500	12.01	0.00
	<b>Sub-Total (B)(2)</b>	18500	6426400	6444900	80.64	2934000	3510900	6444900	80.64	0.00
	<b>(B) Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	18500	6426400	6444900	80.64	2934000	3510900	6444900	80.64	0.00
	<b>TOTAL (A)+(B)</b>	18500	7973400	7991900	100	2934000	5057900	7991900	100.00	0.00
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>										
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
2	Public	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (C )</b>	0	0	0	0	0	0	0	0	0
	<b>GRAND TOTAL (A)+(B)+(C)</b>	18500	7973400	7991900	100	2934000	5057900	7991900	100.00	0.00



**(ii) Shareholding of Promoters**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	% change in share holding during the year
1	MM Fiscal Services Pvt Ltd.	1547000	19.36	0	1547000	19.36	0	0

**(iii) Change in Promoters' Shareholding (Please specify, if there is no change)**

S. No.		Shareholding at the beginning of the year		Commulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No Change			
	Date wise increase/decrease in				
	At the end of the year				

**(iv) Shareholding of Directors and Key Managerial Personnel**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Commulative Shareholding during the year	
		Number of Shares	% of total Share of the Company	Number of Shares	% of total Share of the Company
1	PREM PRAKASH AGARWAL	38500	0.48	38500	0.48
2	ASHOK KUMAR MAHAWAR	29000	0.36	29000	0.36

**V INDEBTEDNESS**

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

(Amount in ₹)

Particulars	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	NIL		
i) Principal Amount			
ii) Interest due but not paid			
iii) Interest accrued but not due			
Total (i+ii+iii)			
<b>Change in Indebtedness during the financial year</b>			
Addition			
Reduction			
Net Charge			
<b>Indebtedness at the end of the financial year</b>			
i) Principal Amount			
ii) Interest due but not paid			
iii) Interest accrued but not due			
Total (i+ii+iii)			





**VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director , Whole-time Director and/or Manager**

(Amount in ₹)

S.No	Particulars of Remuneration	Name of the MD/WTD/Manager	Total Amount
		<b>Ramesh Agarwal</b>	
<b>1</b>	<b>Gross Salary</b>	7,50,000	7,50,000
	(a) Salary as per provisions contained in section 17(1) of the income tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) income tax Act, 1961	0	0
	(c) Profit in lieu of salary under Section 17(3) Income-Act, 1961	0	0
<b>2</b>	<b>Stock Option</b>	0	0
<b>3</b>	<b>Sweat Equity</b>	0	0
<b>4</b>	<b>Commission</b>	0	0
	as % profit	0	0
	other, specify	0	0
<b>5</b>	<b>others, please specify</b>	0	0
	<b>TOTAL (A)</b>	<b>7,50,000</b>	<b>7,50,000</b>

**B. Remuneration to other Directors**

(Amount in ₹)

S.No	Particulars of Remuneration	Name of the Directors				Total Amount
		Rajiv Mittal	Pankaj Jain	Prem Prakash Agarwal	Ashok Kumar Mahawar	
	<b>Independent Directors</b>					
<b>1</b>	Fee for attending board & Committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission					
	others, please specify	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	NIL	NIL	NIL	NIL	NIL
<b>2</b>	<b>Other Non-Executive Directors</b>					
	Fee for attending board & Committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	other, please specify	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	NIL	NIL	NIL
	<b>Total (B)= (1+2)</b>	NIL	NIL	NIL	NIL	NIL
	<b>TOTAL MANAGERIAL REMUNERATION</b>	NIL	NIL	NIL	NIL	NIL



**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in ₹)

S.No	Particular of Remuneration	CS	CFO	Total
1	<b>Gross Salary</b>			
	(a) Salary as per provision contained in section 17(1) of the income tax Act, 1961	2,65,000	2,14,500	4,79,500
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0	0	0
	(c) Profit in lieu of salary under section 17(3) income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission	0	0	0
	as % of profit	0	0	0
	others specify	0	0	0
5	Others, Specify	0	0	0
	<b>Total</b>	2,65,000	2,14,500	4,79,500

**D Shareholding Pattern of top ten Shareholders  
(other than Directors, Promoters and Holders of GDRs and ADRS):**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of increase/decrease in share holding	Increase/ (Decrease) in share holding (as per weekly benpos)	% change	Reason	Cumulative shareholding during the year	
		Number of shares	% of total Shares of the Company					No. of shares	% of total Shares of the Company
1	R.L. Agarwal & Sons Securities Pvt.Ltd.	976500	12.2186	1-Apr-15	0	0	N.A	976500	12.2186
				31-Mar-16				976500	12.2186
2	Satish Agarwal	871500	10.9048	1-Apr-15				871500	10.9048
				25-Sep-15	-871000	10.8	Transfer	500	0.0063
				20-Nov-15	871000	10.8	Transfer	871500	10.9048
				27-Nov-15	500	0.0062	Transfer	872000	10.9110
				31-Mar-16				872000	10.9110
3	Satish Agarwal HUF	822500	10.2917	1-Apr-15				822500	10.2917
				25-Sep-15	-822500	10.29	Transfer	0	0.0000
				20-Nov-15	1645000	20.58	Transfer	1645000	20.5833
				27-Nov-15	-822500	10.29	Transfer	822500	10.2917
				31-Mar-16				822500	10.2917
4	Uma Agarwal	518000	6.4816	1-Apr-15				518000	6.4816
				25-Sep-15	-517400	6.47	Transfer	600	0.0075
				20-Nov-15	517400	6.47	Transfer	518000	6.4816
				27-Nov-15	600	0.007	Transfer	518600	6.4891
				31-Mar-16				518600	6.4891



S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date of increase/decrease in share holding	Increase/ (Decrease) in share holding (as per weekly benpos)	% change	Reason	No. of shares	% of total Shares of the Company
		Number of shares	% of total Shares of the Company						
5	Apoorv Agarwal	392000	4.905	1-Apr-15				392000	4.905
				25-Sep-15	-391300	4.89	Transfer	700	0.0088
				20-Nov-15	391300	4.89	Transfer	392000	4.9050
				27-Nov-15	700	0.008	Transfer	392700	4.9137
				31-Mar-16				392700	4.9137
6	Arpit Agarwal	311500	3.8977	1-Apr-15				311500	3.8977
				25-Sep-15	-311100	3.89	Transfer	400	0.0050
				20-Nov-15	311100	3.89	Transfer	311500	3.8977
				27-Nov-15	400	0.005	Transfer	311900	3.9027
				31-Mar-16				311900	3.9027
7	Rajiv Ranjan Gupta	100000	2.7568	1-Apr-15				100000	2.7568
							NIL MOVEMENT DURING THE YEAR		
							31-Mar-16	100000	1.2513
8	Ganesh Yadav	71000	0.8884	1-Apr-15				71000	0.8884
							NIL MOVEMENT DURING THE YEAR		
				31-Mar-16				71000	0.8884
9	Bajrang Lal Chauhan	70000	0.8759	1-Apr-15				70000	0.8759
				25-Sep-15	100	0.0012	Transfer	70100	0.8759
				20-Nov-15	-100	0.0012	Transfer	70000	0.8759
				27-Nov-15	100	0.0012	Transfer	70100	0.8759
				31-Mar-16				70100	0.8771
10	Sushil Goel	70000	0.8759	1-Apr-15				70000	0.8759
							NIL MOVEMENT DURING THE YEAR		
				31-Mar-16				70000	0.8759

**VII) PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Detail of penalty /Punishment /Compounding fees imposed	Authority(RD/NC) LT/Court)
<b>A. COMPANY</b>	NIL			
Penalty				
Punishment				
Compounding				
<b>B. DIRECTOR</b>				
Penalty				
Punishment				
Compounding				
<b>C. OTHER OFFICER IN DEFAULT</b>				
Penalty				
Punishment				
Compounding				



**Anand Nimesh & Associates**  
(Company Secretaries)

183B, Second Floor, Gurudwara Road  
West Guru Angad Nagar, Laxmi Nagar, Delhi-110092  
M: 9868782243, 8447407137  
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**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
(For the financial year ended 31st March 2016)

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

To,  
The Member  
**SRU Steels Limited**  
416-417-432, Rajendra Jaina Tower-1,  
Plot No. 18, Wazirpur, Shopping Complex, Delhi

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SRU Steels Limited** (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and as produced before us, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st Day of March 2016, (the audit period) 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **SRU Steels Limited** ("The Company") and as produced before us for the period ended on 31st Day of March 2016, 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;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- IV. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**') to the extent applicable to the Company:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**Not applicable during audit period**)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**Not applicable during audit period**)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable during audit period**)
  - f. 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;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; (**Not applicable during audit period**)
  - h. The Securities and Exchange Board of India (Buy Back of Securities) Regulation, 1998; (**Not applicable during audit period**)



**V. Other laws applicable to the Company**

1. The Sexual Harassment of Women at workplace (Prevention Prohibition and Redressal) Act, 2013
2. The Income Tax Act, 1961
3. Service Tax

**“Other laws applicable to the Company as per the representations made by the Company”**

We 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 & Securities and Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with the Delhi Stock Exchange Limited.

However, the shares of the company was listed at Delhi Stock Exchange Limited, Ahmadabad Stock Exchange Limited, The Ludhiana Stock Exchange Ltd., but Recognition of Delhi Stock Exchange Limited, The Ludhiana Stock Exchange Ltd has been withdrawn by the SEBI.

However the Company has filed an application to Bombay Stock Exchange Limited (BSE) for listing of its securities, the same is under process.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement or Regulations etc. mentioned above.

**We 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 to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all directors at least seven days in advance or within prescribed time as the case may be, 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

Decisions at the Board Meetings, as represented by the management and explanations given to us, were taken unanimously/requisite majority. As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**We further report that,** as representation made by the Management of the company and based on the information received and records maintained by the Company, 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.

**For Anand Nimesh & Associates  
(Company Secretaries)**

**Date: August 06, 2016  
Place: Delhi**

**Sd/-  
Anand Kumar Singh  
(Partner)  
M. No- 24881  
CP No- 9404**

***\*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.***



**'ANNEXURE A'**

To,  
The Member  
**SRU Steels Limited**  
416-417-432, Rajendra Jaina Tower-1,  
Plot No. 18, Wazirpur, Shopping Complex, Delhi

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit to the extent there are shown to us during the Audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Further we follow the norms of The Institute of the Company Secretaries Of India in this regard and we rely on the Reports given by Statutory Auditors or other designated professionals in all financial Laws including financial data's.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of 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 the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Anand Nimesh & Associates**  
**(Company Secretaries)**

**Date: August 06, 2016**  
**Place: Delhi**

**Sd/-**  
**Anand Kumar Singh**  
**(Partner)**  
**M. No- 24881**  
**CP No- 9404**





## **NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY**

### **LEGAL FRAMEWORK**

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the rules there under and Clause 49 of the Listing Agreement. This policy has been approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

### **DEFINITIONS**

For the purpose of this Policy:

- 'Act' shall mean the Companies Act, 2013;
- 'Board' shall mean the Board of Directors of SRU Steels Limited;
- 'Committee' shall mean the Nomination and Remuneration committee of the Company, constituted and reconstituted by the Board from time to time;
- 'Company' shall mean SRU Steels Limited;
- 'Directors' shall mean the directors of the Company;
- 'Independent Director' shall mean a director referred to in Section 149 (6) of the Companies Act, 2013;
- 'Key Managerial Personnel (KMP)' shall mean the following:
  - (i) Executive Chairman and / or Managing Director (MD) and/or Manager
  - (ii) Whole-time Director (WTD);
  - (iii) Chief Financial Officer (CFO);
  - (iv) Company Secretary (CS);
  - (v) Such other officer as may be prescribed.
- 'Senior Management' shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.

Unless the context otherwise requires, words and expression used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **OBJECTIVE & PURPOSE**

The objective and purpose of this Policy are as follows:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and Other employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in market.
- To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### **SCOPE OF THE POLICY**

The policy shall be applicable to the following in the Company:

- Directors
- Key Managerial Personnel (KMP)
- Senior Management
- Other employees of the Company

### **CONSTITUTION**

The Board shall determine the membership of the Committee. The Committee will comprise at least three members of non- executive directors, a majority of whom shall be independent directors. One of the independent non-executive directors shall be designated by the Board to serve as the Committee's Chairman. The present composition of the Committee is:

- |    |                          |          |
|----|--------------------------|----------|
| 1. | Mr. Prem Prakash Agarwal | Chairman |
| 2. | Mr. Pankaj Jain          | Member   |
| 3. | Mr. Ashok Kumar Mahawar  | Member   |

### **GUIDELINES FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

#### **1. Appointment criteria and qualifications:**

- 1.1 Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013 or the Company Internal policy.



- 1.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.
  - 1.3 A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications, expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.
  - 1.4 The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
  - 1.5 The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and KMP;
  - 1.6 The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.
  - 1.7 The Committee shall recommend any necessary changes to the Board.
- 2. Term / Tenure:**
- I. Managing Director/Whole-time Director:  
The Company shall appoint or re-appoint any person as its Managing Director, Executive Director/Whole time Director for a term not exceeding five years at a time.  
No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.
  - II. Independent Director  
An Independent Director shall hold office for a term up to five years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.  
No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re- appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company.  
The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.
- 3. Evaluation**  
The Committee shall carry out the evaluation of performance of the every Director, KMP and Senior Management Personnel at regular interval; but at least once a year.
- 4. Removal**  
Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or senior management personnel or functional heads, subject to the provisions and compliance of the Act, rules and regulations.
- 5. Retirement**  
The director, KMP, senior management & functional heads shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs & Senior Management even after attaining the retirement age, for the benefit of the Company.
- 6. Diversity on the Board of the Company**  
The Company aims to enhance the effectiveness of the Board by diversifying it and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.  
The Policy shall confirm with the following two principles for achieving diversity on its Board:
- Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and  
For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.  
In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:
  - Gender - The Company shall not discriminate on the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.



- Age - Subject to the applicable provisions of Companies Act, 2013, age shall be no bar for appointment of an individual as director on the Board of the Company.
- Nationality and ethnicity - The Company shall promote having a boardroom comprising of people from different ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;
- Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on Company's Board, if he/she is able to efficiently discharge the assigned duties.
- Educational qualification- The proposed candidate shall possess desired team building traits that effectively contribute to his/ her position in the Company. The Directors of the Company shall have a mix of finance, legal and management background, that taken together, provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, and investment.

#### **7. Remuneration**

- I. The remuneration/ compensation/ commission etc. to the whole-time director, KMP and senior management & other employees will be determined by the Committee and recommended to the Board for approval.
- II. The remuneration to be paid to the MD and/or whole-time director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013 and the rules made there under.
- III. Increments to the existing remuneration/compensation structure of the Senior Management excluding the Board of Directors comprising of members of Management one level below the Executive Director, including the Functional Heads will be decided by the Chairman & Managing Director & CFO of the Company.

#### **Remuneration to Whole-time/ Executive/Managing Director, KMP and Senior Management Personnel:**

##### **I. Fixed pay:**

The MD and/or whole-time director / KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the shareholders wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

##### **II. Minimum Remuneration:**

If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD and/or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained.

#### **8. Remuneration to Non- Executive / Independent Director:**

- i. **Remuneration** : The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and with the provisions of Companies Act, 2013 along with the rules made there under.
- ii. **Sitting Fees:** The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act 2013.

#### **MINUTES OF COMMITTEE MEETING**

Proceedings of all meetings must be recorded as minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

#### **DIRECTOR'S AND OFFICER'S INSURANCE**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

#### **REVIEW**

The Committee as and when required shall assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current law and best practice.

#### **DISCLOSURE OF THIS POLICY**

The policy shall be disclosed in the Annual report of the Company, as required under Companies Act, 2013, Rules made there under and the Listing Agreement, as amended from time to time and as may be required under any other law for the time being in force.



Statement pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 20146 forming part of the Directors' Report for the year ended March 31, 2016

(A) Personnel who are in receipt of remuneration at Top 10 personnel of the company, during the financial year:

S. No	Name of Employees	Designation	Salary(p.a) Employ ment	Nature of Experience	Date of Commencement of employment	Age	Previous Employment	% share held in the company	Whether related to any director
1	Mr. Ramesh Agarwal	Managing Director	750,000	Permanent 36	1/4/2003	64	Nil	Nil	Yes*
2	Mrs.Sonam Singhal	Company Secretary	225,000	Permanent 2	23/06/2014	27	Nil	Nil	No
3	Mrs.Hema Pathak	Employee	216,000	Permanent 1.5	10/9/2014	30	Nil	Nil	No
4	Mr. Vijay Bhatt	Employee	210,000	Permanent 16	10/4/2015	42	Nil	Nil	No
5	Mr. Hitesh Laxmikant Somani	Chief Financial Officer	214,500	Permanent 21	23/06/2014	39	Nil	Nil	No
6	Mr. Inder dev	Employee	186,000	Permanent 3	23/12/2014	24	Nil	Nil	No
7	Mr.Raju	Employee	186,000	Permanent 6	14/05/2012	32	Nil	Nil	No
8	Mr.Govind	Employee	186,000	Permanent 3	16/07/2011	22	Nil	Nil	No
9	Mr. Bajrang	Employee	160,000	Permanent 19	17/08/2013	46	Nil	Nil	No
10	Ms.Poonam Kumari	Employee	157,500	Permanent 8	14/02/2010	36	Nil	Nil	No

(B) Personnel who are in receipt of remuneration aggregating not less than ₹ 1.02 crores per annum and employed throughout the financial year:

NIL

(C) Personnel who are in receipt of remuneration aggregating not less than ₹ 8,50,000 per month and employed for part of the financial year:

NIL

\* Ms. Richa Agarwal, Director is a relative of Mr. Ramesh Agarwal, Managing Director of the Company.

Place: New Delhi  
Date: August 13, 2016

For and on behalf of the Board  
SRU Steels Limited

Sd/-  
Ramesh Agarwal  
Managing Director  
DIN: 00151223

For and on behalf of the Board  
SRU Steels Limited

Sd/-  
Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846



**Annexure-VI**

**PARTICULARS OF REMUNERATION**

The information required under section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

**(a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

<b>Non - Executive Directors</b>	<b>Ratio of Median Remuneration</b>
Mr. Naresh Kumar Garg, Chariman	-
Mr. Ashok Kumar Mahawar, Independent Director	-
Mr. Rajeev Mittal, Independent Director	-
Mr. Prem Prakash agarwal, Independent Director	-
Mr. Pankaj Jain, Independent Director	-
Mrs. Richa Agarwal	-
<b>Executive Directors</b>	
Mr. Ramesh Agarwal, Managing Director	5.21

Note: Sh. Naresh Kumar Garg, Chairman does not receive any remuneration or sitting fee from the Company.

**(b) the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

<b>Name of Person</b>	<b>% Increase in remuneration</b>
Mr. Naresh Kumar Garg, Chariman	-
Mr. Ashok Kumar Mahawar, Independent Director	-
Mr. Rajeev Mittal, Independent Director	-
Mr. Prem Prakash agarwal, Independent Director	-
Mr. Pankaj Jain, Independent Director	-
Mrs. Richa Agarwal	-
Mr. Ramesh Agarwal, Managing Director	25%
Mr. Hitesh Laxmikant Somani, CFO	-
Mrs. Sonam, Company Secretary*	8.96%
Mrs. Khyati Bansal, Company Secretary**	-

\* Ceased w.e.f 31 December, 2015

\*\*Appointed w.ef. January 30, 2016

**(c) the percentage increase in the median remuneration of employees in the financial year: 3.23%**

**(d) the number of permanent employees on the rolls of company: 24**

**(e) the explanation on the relationship between average increase in remuneration and company performance:**

The Company's PAT increased from ₹ 16.45 lakhs to ₹ 19.64 lakhs, an increase of 19.39% . The Increase in remuneration is in line with the market trends.



**(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Particulars	₹/Lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (Aggregated)	12.29
Revenue from operations	46.31
Remuneration (As % of revenue)	26.19%
Profit before tax (PBT)	28.28
Remuneration (as % of PBT)	42.89%

**(g) variation in the market capitalisation of the Company, price earning ratio as at the closing date on the current financial year and previous financial year.**

(i)

Particulars	Unit	As at 31st Mar 16	As at 31st Mar 15	Variation
Book Value of Share	₹	13.54	13.29	1.88%
EPS	₹	0.246	0.39	-36.92%
Book Capitalisation	₹ in Lakh	1082.15	1062.52	1.85%
Price Earning Ratio	Ratio	55.04	34.08	61.50%

Note: The Company's Securities are listed on Delhi Stock Exchange \* (primary stock Exchange) and Ludhiana<sup>^</sup> & Ahmedabad Stock Exchange . The Securities of the Company are not tradeable in any of the stock exchange due to non-operational of the Exchange(s).

\* Recognition of DSE withdrawn by SEBI w.e.f November 19, 2014 and ^ Recognition of LSE withdrawn by SEBI w.e.f December 30, 2014.

The company has filled an application with Bombay Stock Exchange Limited (BSE) for Listing of its securities and same is in under progress.

**(ii) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company**

**come out with the last public offer.**

Not Applicable

**(h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year 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**

The average increase in salaries of employees other than managerial personnel in 2015-16 was 13.01% There was increase in managerial remuneration by 20.76%.

**(i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Mr. Ramesh Agarwal, Managing Director	Mr. Hitesh Laxmikant Somani Chief Financial Officer	Mrs. Sonam Singhal, Company Secretary*	Mrs. Khyati Bansal, Company Secretary**
/Lakhs	₹	₹/Lakhs	₹/Lakhs	₹/Lakhs
Remuneration	7.5	2.14	2.25	0.4
Revenue	46.31	46.31	46.31	46.31
Remuneration (as % of revenue)	16.20%	4.28%	4.86%	0.86%
Profits before tax (PBT)	28.28	28.28	28.28	28.28
Remuneration (as % of PBT)	26.52%	7.00%	7.96%	1.41%

\* Ceased w.e.f 31 December, 2015

\*\*Appointed w.e.f. January 30, 2016





- (j) **the key parameters for any variable component of remuneration availed by the directors;**  
The remuneration & perquisites of Sh. Ramesh agarwal, Managing Director has been approved by the members of the Company. Further the Non-Executive Independent Directors are not getting anything from the Company.
- (k) the ratio of the remuneration of the highest paid director to that of the employee who are not directors but receive remuneration in excess of the highest paid directors during the year: N.A
- (l) The Company hereby affirm that the remuneration is as per the remuneration policy of the Company

**For and on behalf of the Baord  
SRU Steels Limited**

**For and on behalf of the Baord  
SRU Steels Limited**

**Place: New Delhi  
Date: August 13, 2016**

**Sd/-  
Ramesh Agarwal  
Managing Director  
DIN: 00151223**

**Sd/-  
Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846**



## **Corporate Governance Report**

(In compliance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015)

### **I. MANDATORY REQUIREMENTS**

#### **1. Corporate Governance: Philosophy**

Corporate Governance is about commitment to values and conducting the affairs of the business in an ethical manner.

Corporate Governance is based on the principles such as conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all the necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders.

Your Company adheres to high levels of corporate governance standards and best practices and commits itself to accountability and fiduciary duty in the effective implementation of mechanisms that would ensure Corporate Responsibility to the members and other stakeholders.

The Company's philosophy on Corporate Governance is to ensure the best possible management team with experienced professional people. The Company firmly believes that sound practices adopted in the governance of its affairs based on openness, transparency, capability and accountability are essential elements for long term success, building the confidence of its stakeholders, its functioning and conduct of business.

The Company has always maintained a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its Board Members, The Code of Conduct for regulating & Monitoring Trading by the Insiders and the Code of Practices and Procedures Fair Disclosure of Unpublished Price Sensitive Information, are available on the Company's website.

The Company has been complying with the Corporate Governance requirements, as stipulated under Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with Stock Exchange.

#### **2. Board of Directors**

##### **A. Composition of Board:**

The Board composition of your Company as on 31<sup>st</sup> March, 2016 comprises of (7) seven directors out of which Six (6) Non-Executive Directors, and including the Chairman of the Board and One (1) is Executive Director designated as Managing Director. Out of the above Six Non Executive Directors, (4) Four are Independent Directors who have been appointed for their professional expertise and experience that they possess. The composition of the Board of the Company is in conformity with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 entered into by the Company with the Stock Exchange/(s)

The Board's role, functions, responsibilities and accountability are clearly defined. In addition to its primary role of monitoring corporate performance, the functions of the Board, inter-alia, include:

- Articulating the corporate philosophy and mission;
- The Board provides strategic guidance to the company ensures effective monitoring of the management and is accountable to the shareholders.
- Formulating strategic plans;
- The Board members act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the Company and the shareholders.
- The Board and senior management facilitates the Independent Directors to perform their role effectively as a Board member and also at a member of a committee.
- Ensuring fair and transparent conduct of business.
- Reviewing and approving borrowing/lending, investment limits and exposure limits, etc.;
- Reviewing statutory matters;
- Strategic acquisition of companies and critical assets;
- Review and adoption of Financial Statements, quarterly and annual financial results;



- Keeping shareholders informed about the plans, strategies and performance; and
- Ensuring 100% investor satisfaction.

None of the Directors on the Board is a member of more than ten Committees or holds office as a Chairman of more than five Committees across all the public companies in which he is a Director. Further necessary disclosures regarding Committee positions in other public companies as on March 31, 2016, have been made by the Directors.

The detailed composition and category of the Directors as on 31.03.2016 is as follows:

<b>Name of the Director</b>	<b>DIN</b>	<b>Designation</b>	<b>Category</b>
Mr. Naresh Kumar Garg	DIN: 00986846	Chairman	Non-Executive
Mr. Ramesh Aggarwal	DIN: 00151223	Managing Director	Executive
Mr. Rajeev Mittal	DIN: 00082115	Director	Independent, Non-Executive
Mr. Prem Prakash Agarwal	DIN: 00081871	Director	Independent, Non-Executive
Mr. Pankaj Jain	DIN: 01234804	Director	Independent, Non-Executive
Mr. Ashok Kumar Mahawar	DIN: 02600539	Director	Independent, Non-Executive
Mrs. Richa Agarwal	DIN: 00082722	Director	Non-Executive

None of the Directors of the Company has any pecuniary relationship with the Company.

All the Independent Directors on the Company's Board are Non-Executive and:

- The Independence of the Directors is determined by the criteria stipulated under Section 149 of the Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The maximum tenure of the Independent Director is in compliance with the Act,
- They do not have any material pecuniary relationship or transactions with the Company, its promoters, its Directors, its Senior Management, its Subsidiaries and Associates, which may affect independence of the Directors.
- Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- Have not been an Executive of the Company in the immediately preceding three financial years of the Company.
- Are not partners or executives or were not partners or executives of the Statutory Audit Firms or the Internal Audit Firms and Legal Firms, Consulting Firms, which have association with the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Directors.
- Are not substantial shareholders of the Company, i.e. do not own two percent or more of the block of voting shares.
- Have furnished a declaration before the Board of Directors that they satisfy the conditions of their being independent as laid down under Regulation 16 (1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under Section 149(6) of the Companies Act, 2013. All such declarations are placed before the Board.

#### **Appointment letter and Familiarization programmes for the Board Members**

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the roles, functions, duties and responsibilities expected of him/her as a Director of the Company. The Director is also explained in detail the compliances required from him/her under the Companies Act and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Company had adopted a familiarisation programme for independent directors to familiarise them with the Company, their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model, management structure, industry overview, internal control system and processes, risk management framework, functioning of various divisions, HR Management, etc.

The Company aims to provide its independence Directors, insight into the Company enabling them to contribute



effectively. The Company informed various developments relating to the industry on regular basis and are provided with specific regulatory updates from time to time

**Information supplied to the Board**

The Board has complete access to all information with the Company; inter alia, the information as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is regularly provided to the Board as a part of the Board Meeting agenda. All information stipulated under SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is regularly provided to the Board as part of the agenda papers well in advance of the Board meetings. During the meeting, the senior management is invited to present the plans and achievements relating to their respective areas of responsibility.

**Compliance reports of all applicable laws to the Company**

The periodical reports submitted by the Internal Auditors and by the concerned executives of the Company with regard to compliance of all laws applicable to the Company including steps taken by the Company to rectify instances of non-compliances, if any, are reviewed by the Board at regular intervals.

**Other Directorships, Chairmanships/ Memberships of Committees of each Director in various Public Companies and number of shares of the Company held as at March 31, 2016.**

Name of the Director	Number of other Directorships in Indian Public Companies	Committee* Membership in other companies	Committee* Chairmanship in other companies	No. of shares held (as at March 31, 2016)
Mr. Naresh Kumar Garg	0	Nil	Nil	Nil
Mr. Ramesh Aggarwal	0	Nil	Nil	Nil
Mr. Rajeev Mittal	0	Nil	Nil	Nil
Mr. Prem Prakash Agarwal	0	Nil	Nil	38500
Mr. Pankaj Jain	0	Nil	Nil	Nil
Mr. Ashok Kumar Mahawar	0	Nil	Nil	29000
Mrs. Richa Agarwal	0	Nil	Nil	Nil

\*(Membership and Chairmanship of Audit Committee and Stakeholders' Relationship Committee in other companies has been considered)

**B. (i) (a) Information of the Board Meetings held during the year**

The Board meets at-least once in a quarter to review the quarterly financial results and operations of the Company. It also meets as and when necessary to address specific issues relating to the business of the Company.

During the financial year 2015-2016, the members of the Board met 10 (Ten) times to review, discuss and decide about the business of the Company.

The dates on which the said meetings were held are as follows:

Quarter	Date of Board Meeting
April 2015- June 2015	April 29, 2015 May 14, 2015 May 29, 2015
July 2015 - September 2015	August 13, 2015
October 2015- December 2015	November 12, 2015 November 23, 2015
January 2016- March 2016	January 15, 2016 January 30, 2016 February 12, 2016 March 30, 2016



The necessary quorum was present at all the meetings. The maximum gap between any two Board meetings held during the year was not more than one hundred and twenty days. During the year under review, no meeting was held via video conferencing.

**B. (i) (b) Attendance of Directors at the Board Meeting & Last AGM**

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM
Mr. Naresh Kumar Garg	Chairman - Non-Executive Director	10	Yes
Mr. Ramesh Aggarwal	Managing Director- Executive Director	07	Yes
Mr. Rajeev Mittal	Non-Executive & Independent Director	08	Yes
Mr. Prem Prakash Agarwal	Non-Executive & Independent Director	10	Yes
Mr. Pankaj Jain	Non-Executive & Independent Director	10	Yes
Mr. Ashok Kumar Mahawar	Non-Executive & Independent Director	05	Yes
Mrs. Richa Agarwal	Non-Executive Director	06	Yes

The particulars and brief details, as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the Director retiring by rotation and also seeking re-appointment have been provided in the notice for convening the Annual General Meeting.

**Committees of the Board**

The Board of Director, in a view to have more focused attention on the business and for better governance, has the following committees:

- Audit Committee
- Stakeholders Relationship Committee
- Nomination and Remuneration Committee

The terms of the reference of these committees are determined by the Board and their relevance reviewed from time to time. The minutes of the committees tabled at the Board Meeting for noting of the Board Members.

**3. Audit Committee**

The Audit Committee of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 entered into with the Stock Exchange(s) read with Section 177 of the Companies Act, 2013 ("Act").

**A. Brief description of terms of reference of Audit Committee**

As a measure of good Corporate Governance and to provide assistance to the Board of Directors in fulfilling their responsibilities, the Audit Committee was constituted. Majority of the members of the Audit Committee are Independent Directors and have rich experience in the financial/legal sector.

The terms of reference of Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 executed with the Stock Exchange(s), read with Section 177 of the Companies Act, 2013 and includes such other functions as may be assigned to it by the Board from time to time. The composition of the Audit Committee also adheres to the provisions of Section 177 of the Companies Act, 2013.

The main functions of the Audit Committee, inter-alia, include:

**Role(s)/Terms of reference of Audit Committee are:**

- Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and Internal Auditors and fixation of audit fees and approval of payment for any other services.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Cost Auditor.



- Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act, 2013.
  - (b) Changes, if any, in accounting policies and practices and reasons for the same.
  - (c) Disclosure of any related party transactions.
  - (d) Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other legal requirements relating to financial statements.
- Reviewing, with the Management, the quarterly and annual Financial Statements before submission to the Board for approval.
- Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
- Review the appointment, removal and terms of remuneration of Internal Auditors.
- Reviewing, with the Management, performance of the Statutory and Internal auditors, adequacy of the Internal Control Systems.
- Reviewing the adequacy of Internal Audit Functions, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussion with the Internal Auditors any significant findings and follow up thereon.
- Review the Management Discussion and Analysis of Financial condition and results of operations.
- Discussion with the Statutory Auditors, before the Audit commences, about the nature and scope of Audit as well as post audit discussions to ascertain any area(s) of concern.
- Reviewing the Internal Audit Reports relating to internal control weaknesses.
- Carrying out any other function as mentioned in terms of reference of the Audit Committee.
- Reviewing the compliances regarding the Company's Whistle Blower policy.
- Approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background of the candidate.
- To investigate any activity within terms of reference and seek information from any employee.
- To obtain outside legal professional advice and
- Reviewing compliance of legal and regulatory requirements.

**B. Composition & Qualification of Audit Committee**

Name	Category of Directorship	Designation in Audit Committee	Qualification & Experience	No. of Meetings Attended
Mr. Rajeev Mittal	Non-Executive & Independent Director	Chairman	Rajeev Mittal, the director of SRU Steels Limited brings with him a tremendous amount of knowledge, experience, foresight and vision. He is graduate and having 26 years of experience in varied fields, he combines a strong comprehension of domestic business with innovative fundamental vision that aligns SRU Steels Limited towards a new dawn in integrated management systems.	05



Mr. Prem Prakash Agarwal	Non-Executive & Independent Director	Member	He is an Independent Director of the Company. He has been an integral part of the industry and having rich knowledge of Steel trading business. Over more than 26 years of experience in finance and Accounts.	05
Mr. Pankaj Jain	Non-Executive & Independent Director	Member	He is an Independent Director of the Company. He is Graduate & having 16 years of experience in the field of Real Estate development and construction. He is having a wide knowledge of Stainless Steel.	05

#### C. Meetings of Audit Committee

During the financial year 2015-16, five (5) meetings of Audit Committee were held:

Quarter	Date of Meeting	Number of Members Present	Number of Independent Directors Present
April 2015 - June 2015	May 29, 2015	03	03
July 2015 - September 2015	August 13, 2015	03	03
October 2015 - December 2015	November 12, 2015	03	03
January 2016 - March 2016	February 12, 2016	03	03
	March 30, 2016	03	03

The Head of Finance, Internal Auditors and Statutory Auditors are invitees to the Audit Committee Meetings. Ms. Shalini, Company Secretary, acts as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 30, 2015 and Sh. Rajeev Mittal, Chairman of the Audit Committee had attended the said meeting to answer the shareholders' queries.

#### 4. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, your Company has constituted the Investors' Grievance Committee as Stakeholders' Relationship Committee.

The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in quality of investor service. The Committee also looks into redressal of shareholders'/ investors complaints.

##### Composition of Stakeholders' Relationship Committee:

Name	Category of Directorship	Designation
Mr. Pankaj Jain	Non-Executive & Independent Director	Chairman
Mr. Ramesh Agarwal	Executive Director	Member
Mr. Prem Prakash Aggarwal	Non-Executive & Independent Director	Member

#### A. Name, Designation and Address of Compliance Officer

Ms. Shalini  
Company Secretary & Compliance Officer,  
SRU Steels Limited  
416-417-432, Rajendra Jaina Tower- 1  
Plot No.18, Wazirpur Shopping Complex  
Delhi-110052





## **B. Complaint Status**

During the year, the Company has not received any investor complaints. As on date, there is no pending complaint of any shareholder.

## **5. Nomination & Remuneration Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013, read with rules framed thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, your Company has constituted the Nomination & Remuneration Committee.

The Nomination & Remuneration Committee comprises of three (3) Directors (all Independent Directors).

Ms. Shalini, Company Secretary, acts as the Secretary to the Committee.

### **The broad terms of reference of the Committee includes:**

Identifying candidates for Directorships, evaluation of the performance of the Directors, determination of remuneration to be paid to the Directors, Key Managerial Personnel and other employees of the Company. The Committee also oversees the Company's nomination process for key leadership positions, specifically at the Board level.

The committee shall approve the remuneration payable to the executives of the Company for each financial year. The Committee shall also review, appraise and approve such other matter(s) as the board may recommend to it.

### **A. Composition of Nomination & Remuneration Committee:**

<b>Name</b>	<b>Category of Directorship</b>	<b>Designation in Committee</b>
Mr. Prem Prakash Aggarwal	Non-Executive & Independent Director	Chairman
Mr. Pankaj Jain	Non-Executive & Independent Director	Member
Mr. Ashok Kumar Mahawar	Non-Executive & Independent Director	Member

3 (Three) meeting of the Committee were held during the year under review and the same were attended by all the members of Committee.

### **B. Policy on Board Diversity**

Pursuant to the provisions of the Companies Act, 2013 and under Schedule II part (D) of the Regulation 19(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the policy on Board Diversity is framed and adopted.

The Broad objectives of the Policy are:

The Policy shall confirm with the following two principles for achieving diversity on its Board:

- Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds

### **C. Remuneration Policy:**

Pursuant to the provisions of the Companies Act, 2013 and under Schedule II part (D) of the Regulation 19(4) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration policy is framed and adopted.

The Broad objectives of the Policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine remuneration of Directors, Key Managerial personnel and Other employees.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in market.



- iii. To provide them reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- iv. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

**C Particulars of Directors' Remuneration during the financial year 2015-2016:**

The details of remuneration paid to the Directors during the year ended March 31, 2016, are given below:

Directors	Salary (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)
Mr. Ramesh Agarwal (MD)	7,50,000	-	-	7,50,000
Mr. Prem Prakash Agarwal	-	-	-	-
Mr. Pankaj Jain	-	-	-	-
Mr. Naresh Kumar Garg	-	-	-	-
Mr. Rajiv Mittal	-	-	-	-
Mr. Ashok Kumar Mahawar	-	-	-	-
Ms. Richa Agarwal	-	-	-	-
Total	7,50,000	-	-	7,50,000

**6. Evaluation of performance of the Board, its committees and Individual Directors**

As required under Section 134 (p) of the Companies Act, 2013, and regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, The performance evaluation of the Board, its Committees and individual directors was conducted and the same was based on questionnaire and feedback from all the directors on the Board as a whole, Committees and self –evaluation.

The Board assessed the performance of the Independent Directors as per the criteria laid down and has recommended their continuance on the Board of the Company. Each of the Directors had evaluated the performance of the individual directors on the parameters such as knowledge, concerns for the stakeholders, leadership, team work attributes, effective interaction.

Further Directors have assessed performance of the Board as a whole and committees of the company based on the parameters such as, composition, congenial environment and meaning full communication, interval of the meetings, and information for the discussion etc. The members of the committee of audit, nomination & remuneration, stakeholders relationship committee were also assessed on the above parameters and also in the context of the Committee's effectiveness vis-a-vis.

**7. Meeting of Independent Directors**

In terms of Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Independent Directors of the Company shall meet once in a year to review the performance of Non-Independent Directors, the Board as a whole, review the performance of the Chairman of the Company and assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

The Independent Directors of the Company had met during the year on 12<sup>th</sup> February, 2016 to review the performance of Non-Independent Directors and the Board as whole, review the performance of the Chairman of the Company and has assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

The Board of Directors had reviewed the individual performance of all the Independent Directors as per the standard criteria laid down. The Independent Directors whose performance was reviewed by the Board excused themselves from attending that part of the meeting as required under the statute.

**8. Reconciliation of Share Capital Audit:**

A qualified practising Company Secretary carries out an audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total issued and listed capital and the reports are placed before the Board of Directors for its perusal. The said report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

As required under Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has submitted a compliance certificate to the exchange duly signed by the Compliance Officer and



the authorised representative of Share Transfer Agent viz. M/s Beetal Financial & Computer Services Private Limited to the Stock Exchange on 14<sup>th</sup> of April, 2016 for the half year ended 31<sup>st</sup> March, 2016 certifying compliance that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with SEBI.

#### 9. General Body Meetings:

The concise details of Annual General Meetings held during the previous three years are as under:

##### A. Annual General Meetings:

Financial Year	Location and Time	Special Resolutions passed
2014 – 2015	30 <sup>th</sup> September, 2015 at 10.00 A.M. at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052	1 (One) Special Resolutions were passed in this meeting.
2013-2014	September 29, 2014 at 11.00 A.M. at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052	2 (Two) Special Resolutions were passed in this meeting.
2012-2013	30 <sup>th</sup> July, 2013 at 10.30 A.M. at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052	No Special Resolutions were passed in this meeting.

##### B. Postal Ballot:

During the preceding financial year, no resolution was passed through postal ballot and presently no resolution has been proposed through postal ballot.

##### C. Extra-ordinary General Meetings:

No EGM was held during the Financial Year 2015-16.

#### 10. Disclosures

##### A. Disclosures of Related Party Transactions

The related party transactions are periodically placed before the Audit Committee/ Board of Directors for their consideration and approval. There are no materially significant related party transactions which a potential conflict with the interests of the Company at large. All related parties transactions have been transacted in the ordinary course of business and on arm's length basis.

The Board has formulated a policy on Related Party Transactions and it may be accessed at the website of the Company i.e. [www.srusteels.in](http://www.srusteels.in).

##### B. Disclosure regarding appointment/re-appointment of directors

Brief Details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard-2 on the General Meeting in respect of the Director seeking reappointment at Annual General Meeting is annexed and forms integral part of the notice. The director has furnished the requisite consent/declaration(s) for her reappointment.

##### C. Vigil Mechanism/Whistle Blower Mechanism

In terms of Section 177(9) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism/Whistle Blower policy as recommended by the Audit Committee has been adopted by the Board of Directors of the Company. The policy provides a mechanism for the employee, to report concern about the unethical behavior, actual & suspected frauds or violation of the Company's Code of conduct. It is affirmed that no personnel has been denied access to the Audit Committee. The policy on Whistle Blower may be accessed at the web-link <http://srusteels.in/pdfs/Vigil%20Mechanism.pdf>.

##### D. Management & Discussion Analysis Report:

The comprehensive Management & Discussion Analysis Report has been enclosed with this report.



**E. Details of Compliances/ Non compliances by the Company with applicable Laws**

The Board of Directors periodically reviews compliance reports of the laws applicable to the Company and the Company initiates requisite action for strengthening of its statutory compliance procedures, as may be suggested by the members of the Board from time to time.

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital markets, and no penalties or strictures have been imposed on the Company by any of the said authorities in this regard during the last three years.

**F. Subsidiary Companies**

The Company does not have any Subsidiary for the financial year ended 31 March, 2016.

**G. Code for Prevention of Insider Trading Practices**

In compliance with SEBI's regulations on Prevention of Insider Trading, the Company has instituted a comprehensive Code of Conduct for its Directors and Designated Employees. The code lays down guidelines which advise them on procedure to be followed and disclosures to be made while dealing with shares of the Company and cautioning them of consequences of violations.

The Board of Directors by confirming the resolution passed on May 14, 2015 approved a Code of Conduct for prevention of Insider Trading and the same has been strictly adhered to by the Directors and the designated employees. The Company informs the Directors and the designated employees, about the date of the board meeting to consider any Unpublished Price Sensitive Information and advising them not to trade in Company's shares, during the closure of trading window period. The Company also obtains a declaration from the Directors and the Senior Management Personnel with regard to their compliance with the Code of Conduct under SEBI's (Prevention of Insider Trading) Regulations.

The code of practices, procedure for Fair disclosure of unpublished price sensitive information and the Code of Internal procedure and conduct for Regulation, Monitoring and Reporting of Trading in the securities for the designated employees and the connected persons have been adopted and have been posted on the website of the Company viz. [www.srusteels.in](http://www.srusteels.in).

**H. Risk Management**

The Company has adopted a Risk Management Policy. It has laid down the procedures to inform the Board members about potential risks, their assessment and control. These procedures are periodically reviewed to ensure that the executive management controls risks by means of properly defined framework of policies and strategies.

The Company also has a system of Internal Audit and the Internal Auditors report directly to the Audit Committee of the Company.

The Board has formulated a policy on Risk Management and the same may be accessed at the web-link <http://srusteels.in/pdfs/Risk%20Management%20Policy.pdf>.

**I. Compliance With Mandatory Requirements**

The Company has complied with all the mandatory requirements stipulated under the SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015. The Company has also adopted non mandatory requirements to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

**J. Disclosure of Accounting Treatment**

Your Company has followed the principles of accounting as prescribed in the Indian Accounting Standards and accordingly, there is no explanation required to be given by the management, under Schedule V sub clause (B)(2) Regulation 34(2) of SEBI (Listing Obligations & Disclosure Requirements), Regulation, 2015.

**K. Proceeds from the public issue/rights issue/preferential issues etc.**

There was no public issue/ right issue/preferential issue etc. made by your Company during the financial year 2015-16.

**L. The Company is having the following policies as per the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.**

1. Policy for determining of Materiality URL for the same is: [http://srusteels.in/pdfs/Policy\\_on\\_Disclosures.pdf](http://srusteels.in/pdfs/Policy_on_Disclosures.pdf).



2. Archival Policy on preservation of documents of the Company is: [http://srusteels.in/pdfs/Archive\\_Policy.pdf](http://srusteels.in/pdfs/Archive_Policy.pdf).
  3. Preservation of Documents of the Company. URL for the same is <http://srusteels.in/codeofconduct.html>.
  4. Policy on determination of material/price sensitive information. URL for the same is: [http://srusteels.in/pdfs/Policy\\_on\\_Disclosures.pdf](http://srusteels.in/pdfs/Policy_on_Disclosures.pdf).
  5. Policy on Preservation of Records. The same may be accessed at [http://srusteels.in/pdfs/Policy\\_on\\_Preservation\\_of\\_Records.pdf](http://srusteels.in/pdfs/Policy_on_Preservation_of_Records.pdf).
- M.** In compliance with the Regulation 46 (2)(j) & (k) of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and as required under the listing agreement entered into with the Stock Exchanges, the Company has designated the mail.id shalini@srusteels.in. This mail.id has been posted on the Company's website and also on the website of the Stock Exchanges. The investor can send their grievances, if any to the designated mail.id. Ms. Shalini is the Compliance officer of the Company.
- N.** The SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, vide its Regulation 46 (1) stipulated that the company should maintain a functional website containing the basic information about the company and to update the contents of the said website periodically. In pursuance to this clause, the Company updates its website with all relevant information as envisaged in the said regulation and as per the provision of the companies Act, 2013. The website of the company may be accessed at [www.srusteels.in](http://www.srusteels.in).
- O. Code for Conduct for the Board of Directors and Senior Management Personnel**
- The Board of Directors have adopted Code of Conduct applicable to the Board of Directors and the Senior Management of the Company. The said code has also been displayed on the Company's website at [www.srusteels.in](http://www.srusteels.in).
- The Company has obtained affirmation from the Board of Directors and senior managerial personnel, affirming compliance with the Company's Code of Conduct for the financial year 2015-16.
- The declaration by the Managing Director, under the Schedule V sub clause(d), Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, affirming compliance of the Code of the conduct by the all the Board members and senior managerial personnel for year ended March 31, 2016, is attached with this Corporate Governance Report.

#### **11. Discretionary Requirements**

As required under Part E of Schedule II the details of discretionary requirements are given below:

##### **A. The Board**

The Company has not set up any office for the Non-executive Chairman and no expenses an reimbursement of expenses are incurred in the performance of his duties.

##### **B. Shareholders Rights**

The quarterly/half yearly un-audited results of the Company after being subjected to a Limited Review by the Statutory Auditors are published in newspapers and on the Company's website [www.srusteels.in](http://www.srusteels.in). These results are not sent to shareholders individually.

##### **C. Modified Opinion(s) in Audit Report**

The Auditor has issued an unqualified opinion on the statutory financial statement of the Company.

##### **D. Separate posts of Chairman and Managing Director**

The Company has appointed separate persons to the post of Chairman and Managing Director.

##### **E. Reporting of Internal Auditor**

The Internal Auditor reports directly to the Audit Committee.



## 12. General Shareholder Information:

Annual General Meeting (Date, Time & Venue)	Friday, September 30, 2016 at 10:00 A.M. at the Registered Office of the Company at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052		
Financial Year	1 <sup>st</sup> April 2015 - 31 <sup>st</sup> March 2016		
Date of Book Closure	Saturday, September 24, 2016 to Friday, September 30, 2016 (Both days inclusive)		
Dividend Record (Last three years)	Financial Year 2012-13 NIL Financial Year 2013-14 NIL Financial Year 2014-15 NIL		
Dividend for Financial Year 2015-2016	The Company has not recommended any dividend.		
Listing on Stock Exchanges	Shares of the Company are listed on the Delhi Stock Exchange (DSE)*, Ahmadabad Stock Exchange Association Limited and Ludhiana Stock Exchange (LSE)^The Company had filed an application to the Bombay Stock Exchange (BSE) for the listing of its Securities, the application is under process and the Company is waiting for its approval. *Recognition of DSE withdrawn by SEBI w.e.f November 19, 2014; and ^ Recognition of LSE withdrawn by SEBI w.e.f December 30, 2014.		
ISIN NO.	INE425C01017		
Financial Calendar 2016-17 (Tentative & Subject to Change)	1. First Quarter results – 13th August, 2016 2. Second Quarter results – 2nd week of November, 2016 3. Third Quarter results – 2nd week of February 2017 4. Audited yearly results for the year ended March 31, 2017 - Last week of May, 2017		
Registrar & Transfer Agents (both for Electronic & Physical Segment)	Beetal Financial & Computer Services (P) Ltd 3rd Floor, 99 Madangir, BH-Local Shopping Complex Near Dada Harsukhdas Mandir, New Delhi-110062Contact Person: Sh. Bhuwendra Jha		
Share Transfer Systems	Transfer of shares in dematerialized Form is done through Depository Participant, but as regards transfer of shares in Physical Form, the transfer document can be lodged with Beetal Financial & Computer Services (P) Ltd., Registrar and Share Transfer Agent or with the Company. The Physical Shares along with valid and duly executed transfer instrument as and when received are duly processed and shares in respect of valid transfer instruments are transferred in the name of transferee complying with the rules in force. The shares are transferred after obtaining the approval from the Board. Duly transfer share certificates are returned within a period of 30 days from the date of receipt subject to the documents being valid and complete in all respects.		
Permanent Account Number (PAN) for transfer of shares in physical form	SEBI vide its Circular dated May 20, 2009 has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares. Accordingly, shareholders are requested to please furnish copy of PAN Card to the Company's RTA for registration of transfer of shares in their name.		
Reconciliation of Share Capital Audit	Reconciliation of Share Capital Audit is conducted on quarterly basis by a Qualified Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL) with the total issued and listed Capital. The Report is submitted to the Board of Directors and to the concerned Stock Exchanges where the shares of the Company are listed for trading.		
Dematerialization of Shares	The Company's shares are available for dematerialisation on both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL). (i) Dematerialization of Shares as on 31 <sup>st</sup> March, 2016		
	<b>Particular</b>	<b>Number of Shares</b>	<b>Percentage (%)</b>
	Dematerialization:		
	NSDL	2111500	26.40
	CDSL	822500	10.30
	<b>Sub-Total:</b>	<b>2934000</b>	<b>36.70</b>
	Physical:	5057900	63.30
	<b>Total:</b>	<b>7991900</b>	<b>100</b>
Secretarial Audit	Pursuant to Section 204 of the Companies Act, 2013, the Company has appointed M/s Anand Nimesh & Associates, Companies Secretaries as Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for the financial year 2015-16.		
Outstanding GDRs	There are no outstanding GDRs/ ADRs/ Warrants or any other convertible instruments.		
Regd. Office :	416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052		
Address for Correspondence	416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052		
Compliance Officer	Ms. Shalini (Company Secretary) Tel :011-27474749 E-Mail : srusteels@yahoo.in Website: www.srusteels.in The Company has designated an e-mail id viz. srusteels@yahoo.in to enable the investors to register their complaints/ suggestions/queries, if any.		



### Means of Communication

The financial results of the Company are published in widely circulated national dailies such as the Pioneer (English and Hindi). Information at the time of declaration of results is also sent to all stock exchanges where the shares of the Company are listed for trading. The Company's annual report containing, inter alia, audited annual accounts, consolidated financial statements, director's report, auditor's report, management discussion analysis and other important information is circulated to all the members. All the above results and documents are also displayed on Company's official website [www.srusteels.in](http://www.srusteels.in)

### Green Initiative in the Corporate Governance by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that the service of official documents by a company to its members can be made through electronic mode.

To support this green initiative of the Government in full measure, all the members are requested to register/update their email IDs with their depository participants, in case shares are held in electronic mode, to ensure that Annual Report and other documents reach them at their preferred email IDs and, where the shares are held in physical mode, members are requested to get their email IDs updated in the records of the company.

All the official documents including Annual Report of the Company, circulated to the Members of the Company through electronic mode, will be made available on the Company's website [www.srusteels.in](http://www.srusteels.in).

### Distribution of Shareholdings as on March 31, 2016:

Share holding of Nominal value of ₹ 10 each		No. of Shares holders	No. of Shares	% of Total
From	To			
1	5000	207	38900	0.4867
5001	10000	66	64200	0.8033
10001	20000	69	121600	1.5215
20001	30000	56	151400	1.8944
30001	40000	40	143100	1.7906
40001	50000	5	24500	0.3066
50001	100000	27	242600	3.0356
100001	And above	62	7205600	90.1613
	Total	532	7991900	100.00

### Shareholding Pattern of the Company as on March 31, 2016:

Category	No. of Shares	%
Promoters	1547000	19.36
Banks, Financial Institutions & FIIs	NIL	-
Bodies Corporate	996500	12.47
Non Resident Indians	NIL	-
GDR	NIL	-
Public/ individuals	5448400	68.17
Total	7991900	100.00

\* No pledge has been created on the shares held by promoters or promoter group as on March 31, 2016.





**List of Top 10 Shareholders (other than Promoters) as on March 31, 2016**

S.No.	Name of the Shareholder	Number of shares
1	R.L Agarwal & Sons Securities Pvt. Ltd.	976500
2	Mr. Satish Agarwal	872000
3	Mr. Satish Agarwal HUF	822500
4	Mrs. Uma Agarwal	518600
5	Mr. Apoorv Agarwal	392700
6	Mr. Arpit Agarwal	311900
7	Mr. Rajiv Ranjan Gupta	100000
8	Mr. Ganesh Yadav	71000
9	Mr. Bajrang Lal Chauhan	70100
10	Mr. Sushil Goel	70000
	<b>TOTAL</b>	<b>4205300</b>

**13. Compliance Certificate from Statutory Auditors' on Corporate Governance**

As required under Schedule V sub-clause (E) Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Auditors' Certificate is annexed and forms part of this Annual Report.

**14. CEO/Managing Director Certification**

The Managing Director and Chief Financial Officer of the Company have certify to the Board every quarter on the matter relating to the Financial statements and other matters in accordance with Regulation 33(2)(a) of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015 and the Compliance officer of the company has also certify on quarterly basis to Audit committee and Board of the Directors on statutory compliances to be made under all laws applicable to the company.

Further, as required by Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015, the CEO certification is annexed and forms part of this Annual Report.

**15. SEBI Complaints Redress System (SCORES)**

The Company processes the investors' complaints received by it through a computerized complaints redressal system. The salient features of this system are computerized database of all the inward receipts and action taken on them, online submission of Action Taken Reports (ATRs) along with supporting documents electronically in SCORES. The investors' can view online the current status of their complaints submitted through SEBI Complaints Redress System (SCORES).

The above report has been placed before the Board at its meeting held on August 13, 2016 and the same was approved.

**By the order of the Board of Directors  
For SRU Steels Limited**

Place: New Delhi  
Date: August 13, 2016

**Sd/-  
Ramesh Agarwal  
Managing Director  
DIN: 00151223**

**Sd/-  
Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846**



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Members of  
SRU Steels Limited

We have examined the compliance of conditions of Corporate Governance by **SRU Steels Limited** ("the Company") for the year ended March 31, 2016 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 pursuant to the Listing Agreement of the said Company with Stock exchanges.

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

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and pursuant to the Listing Agreements of the said Company with Stock Exchanges.

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

**For B. M Sharma & Associates**  
**Chartered Accountants**  
**Firm's Registration No. 007944N**

**Place: New Delhi**  
**Date: August 13, 2016**

**Sd/-**  
**Kuldeep Sharma**  
**Partner**  
**Membership No. 084073**



**CERTIFICATE BY CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) PURSUANT TO SUB-REGULATION-8 OF  
REGULATION 17 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015**

To  
Board of Directors  
SRU STEELS LIMITED

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of SRU Steels Limited (the company), to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2016 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of their knowledge and belief, no transactions entered into by the company 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 and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they 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 that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**Date: August 13, 2016**  
**Place: New Delhi**

**Sd/-**  
**Ramesh Agarwal**  
**Managing Director**  
**DIN: 00151223**

**Sd/-**  
**Hitesh Laxmikant Somani**  
**CFO**

To

The Members of SRU Steels Limited

**Declaration regarding Code of Conduct pursuant to Clause D of Schedule B of SEBI  
(Listing Obligation and Disclosures Requirement) Regulation, 2015**

I, Ramesh Agarwal, Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Rule of Code of Conduct for the financial year ending 31 March, 2016 pursuant to the requirements of Clause 49 of Listing Agreement /Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**For SRU Steels Limited**

**Place: New Delhi**  
**Date: August 13, 2016**

**Sd/-**  
**Ramesh Agarwal**  
**(Managing Director)**  
**DIN: 00151223**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

To avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below a composite summary of performance of the business and functions of the Company.

### CAUTIONARY STATEMENT

Statements made in this report describing the Company's objectives, projections, estimates and expectations are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates; changes in the Government regulations; tax laws and other statutes and incidental factors.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the world's third-largest producer of crude steel. The growth in the Indian steel sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour. Consequently, the steel sector has been a major contributor to India's manufacturing output.

The Indian steel industry is very modern with state-of-the-art steel mills. It has always strived for continuous modernisation and up-gradation of older plants and higher energy efficiency levels.

India's crude steel production grew by 4.9 per cent year-on-year to at 8 Million Tonnes (MT) in May 2016. Total steel production in the country is expected to increase by 7 per cent in 2016.

During FY 2015-16, hot metal production increased at a rate of 1.3 per cent year-on-year to 57.13 MT, whereas the production for sale of total finished steel stood at 90.39 MT. India's consumption of total finished steel increased by 4.5 per cent to 80.45 MT during FY 2015-16.

Total finished steel exports during FY 2015-16 stood at 4.08 MT, whereas total finished steel imports stood at 11.71 MT for the same period. India's crude steel capacity has increased 7.6 per cent to 118.2 MT.

The steel sector in India contributes nearly two per cent of the country's Gross Domestic Product (GDP) and employs over 600,000 people. The per capita consumption of total finished steel in the country has risen from 51 Kg in 2009-10 to about 61.9 Kg in 2015-16.

### SRU STEELS OPERATIONS

The Company operates in the single business segment of trading in various types of Iron & Steel. At present, the Company is trading in various types of steel products as well as sale of products on Commission basis. This sector of steel is witnessing intense competition from numerous players in the country.

During the financial year 2015-16, the SRU Steels Ltd reported ₹ 28.28 lakh profit before tax as against a profit ₹ 23.83 Lakh in financial year 2014-15.

### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE Abridged Statement of Profit and Loss

(Amount in Lakhs)

Particulars	2015-16	2014-15	Growth %
Revenue from Operations	46.31	53.00	(12.62)
Other Income	75.83	61.15	24.00
<b>Total Revenue</b>	<b>122.15</b>	<b>114.16</b>	<b>7.00</b>
<b>Expenses</b>			
Employees benefits expenses	40.72	47.58	(14.42)
Finance Cost	0.08	0.06	33.33
Depreciation and Amortisation	5.82	3.99	45.86
Other Expenses	47.24	38.70	22.07
<b>Total Expenses</b>	<b>93.87</b>	<b>90.33</b>	<b>3.92</b>
PBT	28.28	23.83	18.67
Tax Expenses	8.64	7.38	17.07
Profit after tax	19.64	16.45	19.39
Earning per Equity Share			
Basic	0.246	0.390	-
Diluted	0.246	0.390	-

### OPPORTUNITIES AND THREATS

The Government of India is focusing strongly on the development of steel industry which shall provide scope for the growth in India.



The government has launched the National Mineral Exploration Policy (NMEP), which will help to adopt comprehensive exploration of non-fuel and non-coal mineral resources that would give a major boost to the economy.

Accordingly, to cater the forth coming opportunities arising for our Industry, the Company has instigated to enhance its facilities.

Your Company is exposed to the several threats emerging from the market.

These threats are: -

- a) The Competitive pricing by the rivalries;
- b) Environmental changes;
- c) Political instability; and
- d) The challenges faced on account of rising prices i.e. for Company's growth, and at the same time satisfy its dealers.

#### **SEGMENT WISE PERFORMANCE**

The Company being engaged in the sale of steel coils, Sheets and other type of steels, there is only one business segment and single segment of activity. Further, the Company is mainly operative in the city of Ahmedabad and does not operate any other place and therefore all the revenue and income has been generated from one geographic area only.

#### **OUTLOOK**

India is expected to become the world's second largest producer of crude steel in the next 10 years, moving up from the third position, as its capacity is projected to increase to about 300 MT by 2025. Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors

#### **RISKS AND CONCERNS**

In any business, risks and prospects are inseparable. As a responsible management, the Company's principal endeavour is to maximize returns. The Company continues to take all steps necessary to minimise its expenses through detailed studies and interaction with experts.

#### **INTERNAL CONTROL SYSTEM & THEIR ADEQUACY**

The Company has an adequate system of internal control relating to efficiency of operations, financial reporting and controls, compliance with applicable laws and regulations, etc. The Internal Audit Department monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all the Company's locations, and its Subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Clearly defined roles and responsibilities for all managerial positions have also been institutionalized. All operating parameters are monitored and controlled and regular internal audits and checks ensure that responsibilities are executed effectively.

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES /INDUSTRIAL RELATIONS FRONT, INCLUDING THE NUMBER OF PEOPLE EMPLOYED.**

The Company has employees and the cordial relations were maintained with all of them throughout the year. The Board of the Company wishes to place on record its appreciation to all the employees for their sustained efforts in improving the capacity utilization and operational efficiency. The Company has initiated many steps in career and personality development of the employees belonging to different departments. The employees attended seminars and other training programs to enhance their skills and knowledge.



## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of SRU STEELS LIMITED**

#### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SRU Steels Limited ("the Company") which comprise the Balance Sheet as at 31st March 2016, Profit and Loss Statement, Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting principles generally accepted in India including the Accounting standard 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 record in accordance with the provision of the Act for safeguarding 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 control, 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 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 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 the affairs of the company as at march 31, 2016 and its profit and its cash flows for the year ended on that date.

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

1. As required by the Companies (Auditor's Report) Order, 2016("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order ,to the extent applicable.
- 2 As required by section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The balance Sheet, Statement of Profit and Loss and Cash Flow statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Financials statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of the companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors, as on 31st March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control. Refer to our separate report in Annexure B
  - 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 has disclosed the impact of pending litigation on its financial position in its financial statements- Refer Note-2.19 to the financial statements.
    - (ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

**For B.M. SHARMA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Registration No. 007944N)**

**PLACE: NEW DELHI**  
**DATED: 30.05.2016**

**Sd/-**  
**(KULDEEP SHARMA)**  
**PARTNER**  
**M.NO. 084073**





**ANNEXURE 'A' TO THE AUDITOR'S REPORT TO THE MEMBERS OF  
SRU STEELS LIMITED**

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such Physical 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 immovable properties are held in the name of the Company.
- (ii) (a) The consignment stock held by the company during the year has been physically verified by the management at reasonable interval. There was no material discrepancies noticed on such physical verification of stocks as compared to book records
- (iii) According to information explanation given to us and based on our examination of the records of the Company, the company has not granted any loan or Advances, Secured or unsecured to companies, firm, Limited Liabilities partnership firm or other parties covered in the register maintained U/s 189 of the companies act, 2013. accordingly, Paragraph 3(iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the loan and investment made.
- (v) The company has not accepted any deposits from the public during the year in term of provision of section 73 or any other provision of the Act and rule made there under. Accordingly paragraph 3(v) of the order is not applicable to the Company.
- (vi) The Central government has not prescribed the maintenance of Cost Record under section 148(1) of the Companies Act 2013.
- (vii) In respect of statutory Dues:
  - (a) In our opinion and according to information and explanation given to us, there are no undisputed statutory dues payable in respect of P.F., Investor Education and protection fund, Employee Estate Insurance, Income-tax, Sales tax, Service tax, Wealth tax, Excise duty, Custom duty and Cess which are outstanding as at 31st March, 2016 for a period of more than six months from the date they become payable.
  - (b) The disputed statutory dues aggregating to ₹ 4.22 lakhs that have not been deposited on account of disputed matters pending before appropriate authorities as under:-



S.N.	Name of the Statute	Nature of dues	(₹) in lakhs	Period which amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income tax penalty	4.22	1998-99	Punjab & Haryana High Court

- (viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly paragraph 3(viii) of the order is not applicable.
- (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 has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite mandated by the provision 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 explanation given to us and based on our examination of the records of the Company, there is no related party transaction. Accordingly, Paragraph 3(xiii) of the Order is not applicable.
- (xiv) According to the information and explanation given to us and based on 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 debenture during the year.
- (xv) According to the information and explanation given to us and based on 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) According to the information and explanation given to us and based on our examination of the records of the Company the Company is not required to be registered under section 45-IA of the Reserve bank of India Act 1934, Accordingly Paragraph 3(xvi) of the order is not applicable.

**For B.M. SHARMA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Registration No. 007944N)**

**PLACE: NEW DELHI**  
**DATED: 30.05.2016**

**Sd/-**  
**(KULDEEP SHARMA)**  
**PARTNER**  
**M.NO. 084073**



## **Annexure - B to the Auditors 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 SRU Steels Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the 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, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' 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 Standards 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 the 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 risk. 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. 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

#### **Opinion**

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

**For B.M. SHARMA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**(Registration No. 007944N)**

**PLACE: NEW DELHI**  
**DATED: 30.05.2016**

**Sd/-**  
**(KULDEEP SHARMA)**  
**PARTNER**  
**M.NO. 084073**



**BALANCE SHEET AS AT 31ST MARCH, 2016**

(Amount in ₹)

PARTICULARS	NOTE No.	Figures as at the end of current reporting period (2016)	Figures as at the end of the previous reporting period (2015)
<b>I Equity and Liabilities</b>			
<b>Share holders' funds</b>			
(a) Share Capital	2.01	79,919,000	79,919,000
(b) Reserve & Surplus	2.02	28,296,409	26,332,733
		108,215,409	106,251,733
<b>Current liabilities</b>			
(a) Trade Payable	2.03	21,049,013	12,330,456
(b) Other current liabilities	2.04	6,546,262	7,704,074
(c) Short Term Provisions	2.05	913,860	777,278
		28,509,135	20,811,808
<b>TOTAL</b>		136,724,544	127,063,541
<b>II Assets</b>			
<b>Non-current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	2.06	1,448,035	838,474
(b) Deferred Tax Assets	2.07	242,682	193,064
(c) Long term Loans and advances	2.08	2,027,500	2,190,550
(d) Other Non Current Assets	2.09	2,000,000	34,060
		5,718,217	3,256,148
<b>Current assets</b>			
(a) Trade receivable	2.10	12,281,631	20,154,390
(b) Cash and Cash Equivalent	2.11	739,797	2,192,744
(c) Short term Loan & Advances	2.12	45,495,946	45,631,474
(d) Other current assets	2.13	72,488,953	55,828,785
		131,006,327	123,807,393
<b>TOTAL</b>		136,724,544	127,063,541
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	1 & 2		

As per our report of even date

FOR & ON BEHALF OF THE BOARD OF DIRECTOR

For B.M. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No. - 007944N)

Sd/-  
(NARESH KUMAR GARG)  
CHAIRMAN

Sd/-  
(RAMESH AGARWAL)  
MANAGING DIRECTOR

Sd/-  
(KULDEEP SHARMA)  
PARTNER  
Membership No.084073

Sd/-  
(HITESH LAXMIKANT SOMANI)  
CFO

Sd/-  
(SHALINI)  
COMPANY SECRETARY

PLACE : NEW DELHI  
DATED : 30TH MAY 2016



**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2016**  
(Amount in ₹)

	PARTICULARS	NOTE No.	Figures as at the end of current reporting period (2016)	Figures as at the end of the previous reporting period (2015)
I.	Revenue from operations	2.14	4,631,459	5,300,980
			-	-
	Revenue from operations		4,631,459	5,300,980
II.	Other Income	2.15	7,583,251	6,114,732
III.	<b>Total Revenue</b>		12,214,710	11,415,712
IV.	<b>Expenses:</b>			
	Employee benefits expenses	2.16	4,072,231	4,758,435
	Finance Costs	2.17	8,081	6,016
	Depreciation and amortisation expenses	2.17	582,119	398,667
	Other expenses	2.17	4,724,361	3,869,628
	<b>Total expenses</b>		9,386,792	9,032,746
V.	Profit before exceptional and extraordinary items and tax (III-IV)		2,827,918	2,382,966
VI.	Exceptional items		-	-
VII.	Profit before extraordinary items and tax (V-VI)		2,827,918	2,382,966
VIII.	Extra ordinary Items		-	-
IX.	Profit before tax (VII - VIII)		2,827,918	2,382,966
X.	Tax Expenses			
	Current tax		913,860	777,278
	Deferred tax		(49,618)	(39,242)
XI.	Profit(Loss) for the period (XI + XIV)		1,963,676	1,644,930
XII.	Earning per equity shares:			
	Basic		0.246	0.390
	Diluted		0.246	0.390
	<b>Significant Accounting Policies &amp; Notes on Accounts</b>	1 & 2		

FOR & ON BEHALF OF THE BOARD OF DIRECTOR

As per our report of even date  
For B.M. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No. - 007944N)

Sd/-  
(NARESH KUMAR GARG)  
CHAIRMAN

Sd/-  
(RAMESH AGARWAL)  
MANAGING DIRECTOR

Sd/-  
(KULDEEP SHARMA)  
PARTNER  
Membership No.084073

Sd/-  
(HITESH LAXMIKANT SOMANI)  
CFO

Sd/-  
(SHALINI)  
COMPANY SECRETARY

PLACE : NEW DELHI  
DATED : 30TH MAY 2016



NOTES NO. 1 & 2

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS**

**1 Significant Accounting Policies:**

**A Basis of preparation of Financial Statements**

The financial statements are prepared and presented under the historical cost convention on accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). These financial statements comply in all material aspects with the Accounting Standards (AS) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 ("the Act"), as applicable.

**B Classification of Assets and Liabilities into Current/Non-current**

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

**C Fixed Assets:**

Fixed assets are stated at cost less accumulated depreciation and impairment of any assets.

**D Depreciation:**

Depreciation on Fixed Assets is provided on written down method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

**E Impairment of Assts:**

An assets is treated a impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is indentified as impaired.

**F Revenue Recognition:**

All income and expenses to the extent considered recoverable/payable with reasonable certainty are accounted for on accrual basis.

**G Provision for Current and deferred Tax:**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income –tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and law that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future.

**H Employee Benefits:**

Employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**I Retirement benefits:**

The provisions of the various retirement benefits laws are not applicable to the company.

**J Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The difference between the actual results and estimates are recognized in the period in which the results are known.

**K Earning per share**

The basic and diluted earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period.

**L Miscellaneous expenditure:**

Miscellaneous expenditure is being amortized over the period of estimate benefits.

**M Provision, Contingent Liabilities and contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities, if material, are disclosed by way of notes. Contingent Assets are neither recognized nor disclosed in the financial statements.





## 2 NOTES ON ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2016

### 2.01 SHARE CAPITAL

(Amount in ₹)

PARTICULARS	As At 31st March, 2016	As At 31st March, 2015
<b>Authorised:</b>		
Equity shares ₹ 10/- per value	95,000,000	95,000,000
9500000 (9500000) equity shares	95,000,000	95,000,000
<b>Issued, Subscribed and Paid up</b>		
Equity shares ₹ 10/- per value	79,919,000	79,919,000
7991900 (7991900) equity shares	79,919,000	79,919,000

- Issued and Subscribed Share capital includes an aggregate of 43,64,500 Ordinary Equity share of ₹ 10 each allotted as Fully paid up pursuant to Schemes of Merger without payment having been received in cash.
- The company has only one class of shares referred to as equity shares having a par value of ₹ 10/- each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### Particulars of Shares outstanding at the end of reporting periods-

Partuculars	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Number of shares at the beginning	7,991,900	79,919,000	3,627,400	36,274,000
Add: shares issued(on account of merger)			4,364,500	43,645,000
Number of shares at the end	7,991,900	79,919,000	7,991,900	79,919,000

#### Particulars of persons holding more than 5% of equity shares as on March 31, 2016 and March 31, 2015 is as follows-

Name of the Person	% of Holding	As at March 31, 2016		As at March 31, 2015	
		shares	Amount in ₹	shares	Amount in ₹
M/s. M.M. Fiscal Services Pvt Ltd	19.36	1,547,000	15,470,000	1,547,000	15,470,000
Uma Agarwal	6.49	518,600	5,186,000	518,000	5,180,000
Satish Agarwal	10.91	872,000	8,720,000	871,500	8,715,000
Satish Agarwal HUF	10.29	822,500	8,225,000	822,500	8,225,000
M/s R.L Agarwal & Sons Securities Pvt Ltd.	12.22	976,500	9,765,000	976,500	9,765,000
		4,736,600	47,366,000	4,735,500	47,355,000

### 2.02 RESERVE AND SURPLUS

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
<b>Capital Reserve:</b>		
Forefeiture of unpaid share	6,155,500	6,155,500
<b>Share Premium:-</b>		
Amount transfer from transferor companies(On account of merger)	12,405,000	12,405,000
<b>General Reserve-opening balance</b>	7,772,233	4,811,107
Add:- Reserve of Transferor companies	-	1,315,639
Add: Adjustment relating to Fixed assets	-	557
Add- Profit during the year	1,963,676	1,644,930
Surplus closing balance	28,296,409	26,332,733



## 2.03 TRADE PAYABLES

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Jindal Stainless Limited	21,049,013	12,330,456
	21,049,013	12,330,456

The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to the amount unpaid at the end of the year together with interest paid/payable as required under the Act have not been furnished.

## 2.04 OTHER CURRENT LIABILITIES

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
<b>Bank Overdraft</b>		
Kotak mahindra Bank (OD)	4,422,804	4,137,157
<b>Others</b>		
Audit Fees Payable	125,950	112,360
TDS Payable	306,868	12,481
Telephone Expenses Payable	2,691	5,010
Electric Charges Payable	9,686	8,132
Service tax payable	18,034	71,177
Car Exp Payable	10,865	26,126
Entry Tax Payable	1,557,466	3,286,871
RTA Expenses payable	5,153	25,888
Salary Payable	68,000	-
Internal Audit Fees Payable	12,500	12,500
Advance from customer	6,245	6,372
	6,546,262	7,704,074

## 2.05 SHORT TERM PROVISION

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Provision for Tax		
Income Tax	913,860	777,278
	913,860	777,278

## 2.06 NON-CURRENT ASSETS

### TANGIBLE ASSETS

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Tangible Assets	As per Annex-1	As per Annex-1
	As per Annex-1	As per Annex-1

## 2.07 DEFERRED TAX ASSETS (Net)

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Opening balance	193,064	154,071
Adjustment during the year	49,618	39,242
Adjustment relating to Fixed Assets (Note-1)	-	(249)
	242,682	193,064

## 2.08 LONG TERM LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Associated Petroleum Corp.	20,000	20,000
Security deposits in SPIPL (Note-1)	2,000,000	2,000,000
National Saving certificates (Note-2)	3,000	3,000
SRM Alloys Pvt. Ltd.	-	163,050
Electric Security Deposit(Note-3)	4,500	4,500
	2,027,500	2,190,550

Note:

1. Security deposit includes amount paid as security for office/godown premises.
2. National saving Certificates has been pledged with VAT department against registration. Interest on NSC will be taken at the time of maturity
3. Electric Security Deposit representing amount deposited by transferor companies( Due to merger).



## 2.09 OTHER NON CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
<b>Miscellaneous expenditure</b> (to the extent not written off or adjusted)		
Opening balance	34,060	33,060
Add:- Addition during the year	2,500,000	38,317
	2,534,060	71,377
Less: Written off during the year	534,060	37,317
	2,000,000	34,060

## 2.10 TRADE RECEIVABLES

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
<b>Over six months</b>		
Suri Rajendra Rolling Mills	5,500,000	5,500,000
<b>Others</b>		
J.P Rolling Mills	622,082	-
Arihant Metals	1,694,714	1,472,579
Sagar Rolling Mills Pvt Ltd	-	9,723,391
S.M Enterprises	-	1,486,450
Ishwara Metals Pvt Ltd	1,712,687	-
Amit Industries	1,276,286	-
Jindal Starline	1,475,862	1,971,970
	12,281,631	20,154,390

In the opinion of the board the receivable if realised within ordinary course of business, shall not be less than what is stated in the Balance Sheet

## 2.11 CASH AND CASH EQUIVALENTS

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Cash in hand	319,263	2,261,621
Balance with Banks		
In current accounts		
State Bank of India	123,438	142,223
City Bank	297,096	(3,613,359)
HDFC Bank	-	81,874
Canara Bank	-	3,069,481
Union Bank of india	-	172,141
State Bank of India	-	41,821
ICICI Bank Ltd	-	36,942
	739,797	2,192,744

## 2.12 SHORT TERM LOAN AND ADVANCES

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Bahula finvest Co. Pvt Ltd	19,705,030	19,705,030
Universal Heavy Engg.	11,100,000	11,100,000
Mahodari Finvest Pvt Ltd	13,086,739	13,086,739
Rajesh Piplani	1,259,177	1,144,705
Hitesh Somani	95,000	95,000
Anumita overseas Pvt Ltd	250,000	500,000
	45,495,946	45,631,474



## 2.13 OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As At 31st March 2016	As At 31st March 2015
Prepaid Insurance	34,479	42,849
Interest Recoverable	4,250,077	
TDS on Commission	463,150	530,100
TDS on Interest	679,453	598,294
VAT Refundable	18,711,206	6,689,303
Input Service Tax	319,988	-
Ashoka Commercial Enterprises (Advance against properties)	47,500,000	47,500,000
Income Tax Refund		
2004-05	378	378
2005-06	1,284	1,284
2009-10	174,640	174,640
2011-12	85,976	85,976
2012-13	82,700	82,700
2013-14	43,485	43,485
2014-15	33,774	33,774
2015-16	50,216	
2008-09	44,476	44,476
Other Recoverable	13,671	1,526
	72,488,953	55,828,785

## 2.14 INCOME FROM OPERATION

(Amount in ₹)

PARTICULARS	For the year ending 31st March 2016	For the year ending 31st March 2015
Commission on Consignment sale	1,161,686	643,813
Commission on Direct Sale	3,469,773	4,657,167
	4,631,459	5,300,980

## 2.15 OTHER INCOME

(Amount in ₹)

PARTICULARS	For the year ending 31st March 2016	For the year ending 31st March 2015
Interest received	7,535,682	6,055,506
Interest on Income tax refund	16,550	59,226
Profit on sale of Car	31,019	-
	7,583,251	6,114,732

## 2.16 EXPENSES

(Amount in ₹)

PARTICULARS	For the year ending 31st March 2016	For the year ending 31st March 2015
<b>EMPLOYEES BENEFIT EXPENSES</b>		
Salary & wages	3,190,400	2,864,400
Bonus Exp	43,200	33,200
Remuneration to directors (Note)	750,000	1,660,000
Staff Welfare Expenses	88,631	200,835
	4,072,231	4,758,435
<b>FINANCIAL COST</b>		
Bank Charges	8,081	6,016
Depreciation and amortisation expense (As per Annex-1)	582,119	398,667
Loading charges	194,137	107,304
Travelling expenses	690,609	802,756
Advertisement Expenses	30,131	59,601
Business Promotion Exp.	332,747	-
Conveyance Expenses	94,659	196,176



Printing & Stationery	87,606	100,151
Postage & Stamps	38,240	50,033
General expenses	81,505	192,949
Telephone expenses	169,888	190,403
Auditor's Remuneration	125,950	112,360
Professional & legal charges	530,156	371,659
Computer/Website expenses	6,800	24,900
Car running expenses	449,898	434,820
Scooter running expenses	94,955	64,226
Electricity charges	70,279	154,972
Professional tax	8,370	6,320
Rates & taxes	8,400	28,700
Insurance charges	45,458	51,162
AMC/MCD taxes	79,201	76,925
Rent Exp.	-	132,000
Listing Fees	136,684	17,454
Commission expense	478,884	354,026
RTA Charges	54,842	28,500
Misc exp Amortised	534,060	37,317
NSDL/CSDL expenses	66,714	29,853
Internal Audit fee	12,500	12,500
Meeting & AGM Exp.	30,250	25,235
Swachh Bharat Cess Exp	12,500	-
Repair & maintenance Exp	102,637	189,725
Bad-debts Written Off	138,267	-
Service Tax	18,034	6,601
Donation	-	11,000
	4,724,361	3,869,628

## 2.17 CURRENT TAX

(Amount in ₹)

PARTICULARS	For the year ending 31st March 2016	For the year ending 31st March 2015
Current Tax		
Income Tax	913,860	777,278
	913,860	777,278

## 2.18 EARNINGS PER SHARE

(Amount in ₹)

PARTICULARS	For the year ending 31st March 2016	For the year ending 31st March 2015
Profit attributable to the equity shareholders	1,963,676	1,644,930
Number of equity shares outstanding at the end of the year	7,991,900	7,991,900
Nominal value of equity share	10/-	10/-
Basic/ Diluted EPS	0.246	0.39

## 2.19 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

PARTICULARS	For the year ending 31st March 2016	For the year ending 31st March 2015
Contingent Liabilities		
Income Tax disputed Demand	422,000	422,000
	422,000	422,000

In the opinion of the Management, no provision is required for the dispute mentioned above on the ground that there are reasonable chances of successful outcome of appeal.

## 2.20 PAYMENT TO AUDITORS

(Amount in ₹)

PARTICULARS	For the year ending 31st March 2016	For the year ending 31st March 2015
Statutory Audit fee	125,950	112,360
	-	-
	125,950	112,360



**2.21 VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL AND COMPONENT CONSUMED**

<b>PARTICULARS</b>	<b>For the year ending 31st March 2016</b>	<b>For the year ending 31st March 2015</b>
(I) Imported	Nil	Nil
(ii) Indigenous	Nil	Nil
	-	-

**2.22 MANAGERIAL REMUNERATION**

(Amount in ₹)

<b>PARTICULARS</b>	<b>For the year ending 31st March 2016</b>	<b>For the year ending 31st March 2015</b>
For Remuneration	750,000	1,660,000
	750,000	1,660,000

**2.23 EXPENDITURE/EARNINGS IN FOREIGN CURRENCY**

(Amount in ₹)

<b>PARTICULARS</b>	<b>For the year ending 31st March 2016</b>	<b>For the year ending 31st March 2015</b>
Expenditure	--	--
Earning	--	--
	--	--

- 2.24** The company is engaged in business of Acting as Consignment agent and the company is dealing in only one segment , therefore Accounting Standard 17 issued by the Institute of Chartered Accountants of India is not applicable to the company.
- 2.25** Particulars in respect of opening stock, purchases, sales and closing stock :- Not applicable
- 2.26** The Company's Securities are listed on Delhi Stock Exchange (primary stock Exchange) and Ahmedabad & Ludhiana Stock Exchange . The Company has not paid any listing fees to the Ahmedabad & Ludhiana Stock Exchange and no provision for the same has also been made in Books of Account.
- 2.27** Management is of the opinion that Current Assets, Loans and advances are stated in the Balance Sheet at the amount, which is at least equal to the amount expected to be realized in the ordinary course of business. Balance of Debtors, loans and advances and creditors are subject to confirmation.
- 2.28** Previous year figures have been regrouped and re arranged wherever necessary.
- 2.29** Figures have been rounded off to the nearest rupees

**FOR & ON BEHALF OF THE BOARD**

For B.M. SHARMA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
(Registration No. - 007944N)

Sd/-  
(NARESH KUMAR GARG)  
CHAIRMAN

Sd/-  
(RAMESH AGARWAL)  
MANAGING DIRECTOR

Sd/-  
(KULDEEP SHARMA)  
PARTNER  
Membership No.084073

Sd/-  
(HITESH LAXMIKANT SOMANI)  
CFO

Sd/-  
(SHALINI)  
COMPANY SECRETARY

PLACE : NEW DELHI  
DATED : 30TH MAY 2016



**Annexure-1 OF NOTE 2.06**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK					DEPRECIATION AND AMORTIZATION				NET BLOCK	
	%Age	As At 01/04/ 2015	Add/ adj in the year	Ded. during the year	As At 31/03/ 2016	As at 01/04/ 2015	For the year	Dep./Adj. dur. the year	As At 31/03/ 2016	As At 31/03/ 2016	As At 31/3/ 2015
<b>TANGIBLE ASSETS:-</b>											
Fax Machine		8,400	-	-	8,400	7,980	-	-	7,980	420	420
Motor Cycle(5956)	25.89	51,299	-	-	51,299	40,681	2,748		43,429	7,870	10,618
Motor Cycle(3271)	25.90	58,092	-	-	58,092	16,697	10,724		27,421	30,671	41,395
Motor Cycle(1567)	25.90	61,661	-	-	61,661	23,878	9,784		33,662	27,999	37,783
Car Sx4	34.63	928,009	-	-	928,009	696,509	12,519	(218,981)	928,009	-	231,500
Car (Cruze)	34.53	1,498,830	-	-	1,498,830	1,118,690	131,268		1,249,958	248,872	380,140
Air Conditioner	32.58	77,500	-	-	77,500	57,731	6,440		64,171	13,329	19,769
Air Conditioner-2	26.31	31,000	-	-	31,000	10,444	5,408		15,852	15,148	20,556
Printer (samsung)	59.21	8,800	-	-	8,800	6,135	1,580		7,715	1,085	2,665
Printer (HP)		4,999	-	-	4,999	4,749	-	-	4,749	250	250
Water Purifier	34.20	15,490	-	-	15,490	12,046	1,176		13,222	2,268	3,444
Television	34.59	30,000	-	-	30,000	23,519	2,240		25,759	4,241	6,481
New Fax Machine	38.98	6,000	-	-	6,000	5,021	380		5,401	599	979
Printer (HP)	46.95	6,998	-	-	6,998	3,286	1,744		5,030	1,968	3,712
Office Premises	4.83	102,236	-	-	102,236	52,293	2,416	-	54,709	47,527	49,943
Refrigerator	46.73	8,000	-	-	8,000	6,480	712		7,192	808	1,520
Photocopy		85,001	-	-	85,001	80,751	-	-	80,751	4,250	4,250
Computer		174,309	-	-	174,309	165,594	-	-	165,594	8,715	8,715
Motor Cycle		33,209	-	-	33,209	31,549	-	-	31,549	1,660	1,660
Furniture & Fixture	44.98	102,760	-	-	102,760	90,086	5,700		95,786	6,974	12,674
New Eco Sport Car			1,375,861	-	1,375,861	-	369,696		369,696	1,006,165	-
New Computer			34,800	-	34,800	-	17,584		17,584	17,216	-
<b>TOTAL</b>		<b>3,292,593</b>	<b>1,410,661</b>	<b>-</b>	<b>4,703,254</b>	<b>2,454,119</b>	<b>582,119</b>	<b>(218,981)</b>	<b>3,255,219</b>	<b>1,448,035</b>	<b>838,474</b>
		<b>3,285,595</b>	<b>6,998</b>	<b>-</b>	<b>3,292,593</b>	<b>2,056,258</b>	<b>398,667</b>	<b>806</b>	<b>2,454,119</b>	<b>838,474</b>	<b>1,229,337</b>





**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

(Amount in ₹)

<b>A.</b>	<b>Cash Flow From Operating Activities</b>	<b>For the Year Ended 31st March, 2016</b>		<b>For the Year Ended 31st March, 2015</b>	
<b>A.</b>	<b>Cash Flow from Operating Activities</b>				
a)	Net Profit after tax and extraordinary Items	1,963,676		1,605,688	
	Add: Provision for taxation	913,860		777,278	
	Depreciation	582,119		398,667	
	Preliminary expenses amortised	534,060		37,317	
	Previous Year Tax Adjustment	-		-	
	Less: Profit on sale of Fixed Assets	31,019		-	
b)	Operating profit before working capital Changes	3,962,696		2,818,950	
	Adjustment for:				
	(Increase)/Decrease in Trade Receivable	7,872,759		8,063,866	
	(Increase)/Decrease in Loan and Advance	163,050		(17,501,500)	
	(Increase)/Decrease in Short Term Loan and Advance	135,528		10,312,765	
	(Increase)/Decrease in Other Current Assets	(16,660,168)		(3,893,770)	
	Increase/(Decrease) in Trade Payable	8,718,557		(2,568,819)	
	Increase/(Decrease) in Other Current Liabilities	(1,443,459)		1,393,408	
	Increase/(Decrease) in Other long term liabilities Liabilities	-		-	
	Increase in other Non Current Assets	(2,500,000)		-	
	Increase/(Decrease) in Current Provision	136,582		105,517	
c)	Cash generated from operations	385,545		(1,269,583)	
	Less-Income tax paid	913,860		777,278	
	Net cash from operating activities		(528,315)		(2,046,861)
<b>B</b>	<b>Cash Flow from Investing Activities</b>				
	Purchase of fixed assets (Net)	(1,410,661)		(6,998)	
	Sale of fixed assets(Net)	250,000		-	
	Net cash from Investing Activities		(1,160,661)		(6,998)
<b>C</b>	<b>Net Increase/(decrease) in Cash and Cash equivalent</b>		(1,688,976)		(2,053,859)
	Cash & Cash equivalent at beginning of the year		(1,944,413)		109,446
	Cash & Cash equivalent at end of the year		(3,633,389)		(1,944,413)
	(Cash and cash equivalent represents cash and bank balance)				

Notes:

- The above cash flow statement has been prepared under the 'indirect method' as set out in Accounting Standard 3 'Cash Flow Statement'

**FOR & ON BEHALF OF THE BOARD**

**For B.M. SHARMA & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
(Registration No. - 007944N)

**Sd/-**  
**(NARESH KUMAR GARG)**  
**CHAIRMAN**

**Sd/-**  
**(RAMESH AGARWAL)**  
**MANAGING DIRECTOR**

**Sd/-**  
**(KULDEEP SHARMA)**  
**PARTNER**  
Membership No.084073

**Sd/-**  
**(HITESH LAXMIKANT SOMANI)**  
**CFO**

**Sd/-**  
**(SHALINI)**  
**COMPANY SECRETARY**

**PLACE : NEW DELHI**  
**DATED : 30TH MAY 2016**



**SRU STEELS LIMITED**

CIN: L17300DL1995PLC107286

**Registered Office:** 416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052

**Corporate Office:** A-48, Wazirpur Industrial Area, Delhi-110052

E-mail: srusteels@yahoo.in Website: www.srusteels.in

Tel: 011-27474749

**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]

CIN:	L17300DL1995PLC107286
Name of the company	SRU Steels Limited
Registered Office:	416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur, Shopping Complex, Delhi-110052

Names of the Members(s):	
Registered Address:	
Email Id:	
Folio No. / Client Id:	
DP ID:	

I/We, being the member(s) of \_\_\_\_\_ equity shares of ₹ 10/- each the above named company, hereby appoint:

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him

3. 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 at the Twenty First (21) Annual General Meeting (AGM) of the Company, to be held on Friday, September 30, 2016 at 10:00 a.m. at the Registered Office of the Company at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur, Shopping Complex, Delhi-110052 and at any adjournment thereof in respect of such resolutions as are indicated below:



Res. No.	Resolutions	Vote (optional, see the note)		
		For	Against	Abstain
Ordinary Business				
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, including audited Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Ms. Richa Agarwal (DIN: 00082722), who retires by rotation at this Annual General Meeting, and being eligible, offeres himself for re-appointment.			
3.	To ratify the appoint M/s B.M. Sharma & Associates. Chartered Accountants ((Registration No. 007944N) as a Statutory Auditor of the Company and to fix their remuneration.			
Special Business				
4.	To Provide Loan, Guarantee, Security and Investment an amount upto ₹ 200 (Rupees Two Hundred) Crores			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ of 2016.

Signature of the Shareholder: \_\_\_\_\_

Signature of the Proxy holder(s): \_\_\_\_\_

Affix  
Revenue  
Stamp of  
₹ 1/-

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the For or Against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.



**SRU STEELS LIMITED**

CIN: L17300DL1995PLC107286

**Registered Office:** 416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052

**Corporate Office:** A-48, Wazirpur Industrial Area, Delhi-110052

E-mail: srusteels@yahoo.in Website: www.srusteels.in

Tel: 011-27474749

**ATTENDANCE SLIP**

21st Annual General Meeting - September 30, 2016	
Registered Folio/DP ID/Client ID:	
Name and Address of first/Sole Shareholder:	
Joint Holder(s)	
No. of Shares	

I/we hereby record my/our presence at the Twenty First (21) Annual General Meeting (AGM) of **SRU Steels Limited** to be held on Friday, September 30, 2016, at 10:00 a.m. at the Registered Office of the Company at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur, Shopping Complex, Delhi-110052.

Signature of Shareholder(s)Folio\*:

1. \_\_\_\_\_

2. \_\_\_\_\_

Signature of Proxy holder(s)\_\_\_\_\_

**INSTRUCTIONS:**

- Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them, when they come to the meeting and hand it over at the ATTENDANCE VERIFICATION COUNTER, at the entrance of the Meeting Hall.
- NO ATTENDANCE SLIP SHALL BE ISSUED AT THE MEETING.**
- Electronic copy of the Annual Report for the financial year 2015-16 & Notice of the AGM alongwith the Attendance slip & Proxy form is being sent to all the members whose e-mail address is registered with the Company/DP unless any member has requested for the hard copy of the same. Members receiving electronic copy & attending the AGM can print copy of the Attendance slip.
- Physical copy of the Annual Report for the financial year 2015-16 & the Notice of the AGM alongwith the Attendance slip & proxy form is being sent in the permitted mode(s) to all the members whose e-mail is not registered or have requested for hard copy. Please bring your copy of the Annual Report to the Meeting.
- The Meeting is of members only and you are requested not to bring with any person, who is not a member or proxy.

**Note:** Please read the instructions given in the Notice of AGM before casting your vote through e-voting.





**SRU STEELS LIMITED**

CIN: L17300DL1995PLC107286

**Registered Office:** 416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052

**Corporate Office:** A-48, Wazirpur Industrial Area, Delhi-110052

E-mail: srusteels@yahoo.in Website: www.srusteels.in

Tel: 011-27474749

**Ballot Form**

Name and address of the Sole/first named shareholder/proxy holder (in block letters)	
Registered folio No. /DP ID No. & Client ID No.	
Number of Equity Shares(s) held:	

I/We, hereby exercise my/our vote(s) in respect of the following resolutions to be passed at the Annual General Meeting (AGM) of the Company on Friday, September 30, 2016 by giving my/our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below.

Res. No.	Brief description of the Resolutions	Type of Resolutions	No. of Equity Shares	I/We assent to the Resolutions on (FOR)	I/We assent to the Resolution (Against)
----------	--------------------------------------	---------------------	----------------------	---	---

**Ordinary Business**

1	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, including audited Balance Sheet as at March 31, 2016 and Statement of Profit and Loss for the year ended on that date and the reports of the Board of Directors and Auditors thereon.	Ordinary Resolution			
2	To appoint a Director in place of Ms. Richa Agarwal (DIN: 00082722), who retires by rotation at this Annual General Meeting, and being eligible, offers herself for re-appointment.	Ordinary Resolution			
3	To ratify the appoint M/s B.M. Sharma & Associates. Chartered Accountants ((Registration No. 007944N) as a Statutory Auditor of the Company and to fix their remuneration.	Ordinary Resolution			

**Special Business**

4	To Provide Loan, Guarantee, Security and Investment an amount upto Rs. 200 (Rupees Two Hundred) Cores	Special Resolutions			
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Form No. SH-13

### Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies  
(Share Capital and Debentures) Rules 2014]

To

SRU Steels Limited  
416-417-432, Rajendra Jaina Tower-1,  
Plot No. 18, Wazirpur Shopping Complex  
Delhi-110052

I/We ..... the holder(s) of the securities particulars of which are given hereunder  
wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in  
respect of such securities in the event of my/our death.

**(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)**

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.

**(2) PARTICULARS OF NOMINEE/S —**

- (a) Name:
- (b) Date of Birth:
- (c) Father's/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:

**(3) IN CASE NOMINEE IS A MINOR—**

- (a) Date of birth:
- (b) Date of attaining majority
- (c) Name of guardian:
- (d) Address of guardian:

**(4) PARTICULAR OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY**

- (a) Name
- (b) Date of birth:
- (c) Father's Name/Mother's/Spouse's name:
- (d) Occupation:
- (e) Nationality:
- (f) Address:
- (g) E-mail id:
- (h) Relationship with the security holder:
- (i) Relationship with minor

Name:

Address:

Name of the Security Holder (s)

Signature

Witness with name and address





**SRU STEELS LIMITED**

CIN: L17300DL1995PLC107286

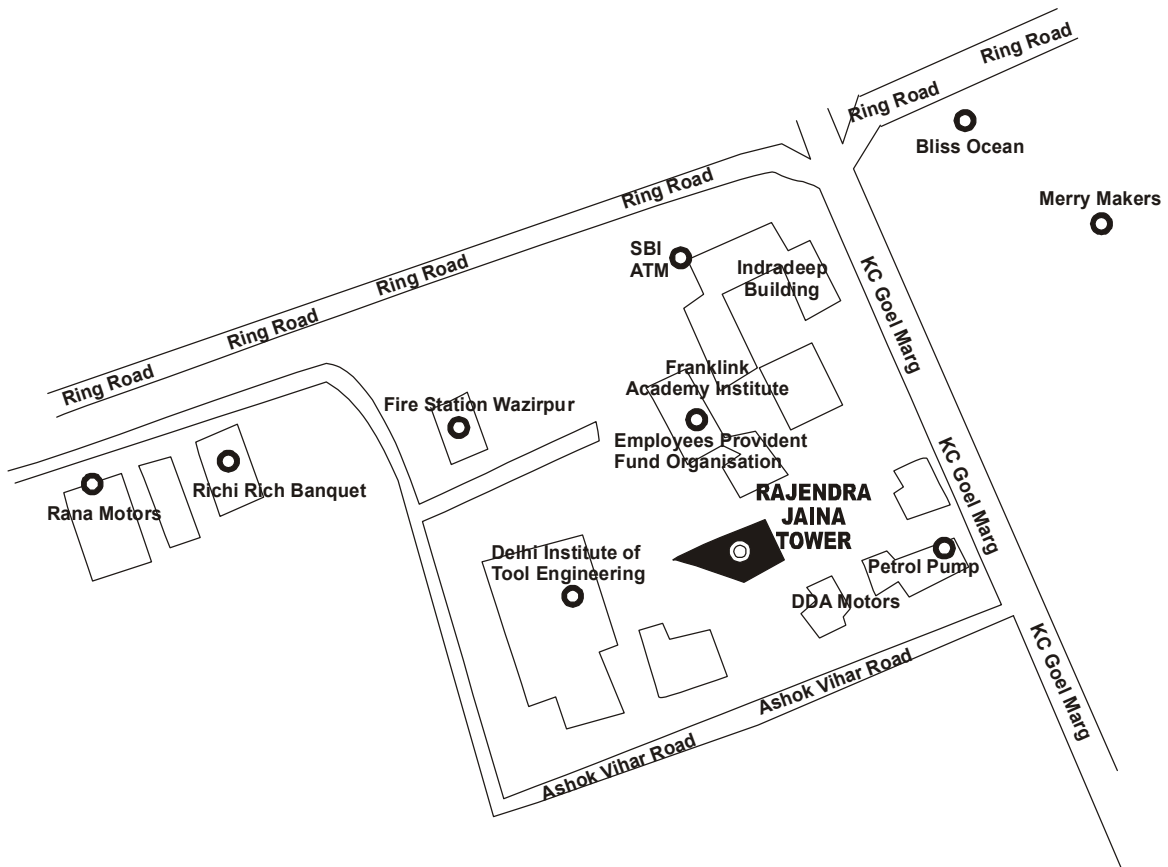
**Registered Office:** 416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052

**Corporate Office:** A-48, Wazirpur Industrial Area, Delhi-110052

E-mail: srusteels@yahoo.in Website: www.srusteels.in

Tel: 011-27474749

**ROAD MAP**









SRU Steels Limited

**BOOK-POST**

*If undelivered, please return to :*

**SRU STEELS LTD.**

416-417-432, Rajendra Jaina Tower-I  
Plot No. 18, Wazirpur Shopping Complex  
DELHI-110 052