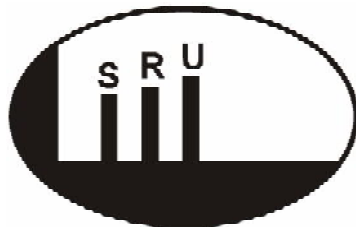


18th
Annual Report
2012-2013



SRU Steels Limited



REGISTERED OFFICE

416-417-432, RAJENDRA JAINA TOWER- 1
PLOT NO. 18, WAZIR PUR SHOPPING COMPLEX,
DELHI - 110 052, PH. NO. 27373622

BOARD OF DIRECTORS

SHRI RAMESH AGARWAL	(MANAGING DIRECTOR)
SHRI ASHOK KUMAR MAHAWAR	(DIRECTOR)
SHRI NARESH KUMAR GARG	(DIRECTOR)
SHRI RAJEEV MITTAL	(DIRECTOR)
SHRI PREM PRAKASH AGARWAL	(DIRECTOR)
SHRI PANKAJ JAIN	(DIRECTOR)

AUDITORS

M/S B.M. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
KIRTI SADAN, 3507/6, PYARELAL ROAD
BANK STREET, KAROL BAGH
NEW DELHI – 110 005

BANKERS

CITI FINANCIAL BANK
KOTAK MAHINDRA BANK
STATE BANK OF INDIA

REGISTRAR AND TRANSFER AGENT

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.,
BEETAL HOUSE, 3rd 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

<u>S.NO.</u>	<u>CONTENTS</u>	<u>PAGE NO.</u>
1.	NOTICE	1
2.	DIRECTORS' REPORT	3
3.	COMPLIANCE CERTIFICATE	5
4.	CORPORATE GOVERNANCE REPORT	8
5.	MANAGEMENT DISCUSSION & ANALYSIS REPORT	15
6.	AUDITORS REPORT	16
7.	BALANCE SHEET	20
8.	PROFIT AND LOSS A/C	21
9.	SCHEDULES	22
10.	CASH FLOW STATEMENT	32
11.	ATTENDANCE SLIP & PROXY FORM	33

NOTICE

NOTICE is hereby given that the Eighteen Annual General Meeting of the Company will be held on:

Day : Tuesday
Date : 30th July 2013
Time : 10.30 A.M
Venue : 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 consider and adopt the Audited Accounts of the Company for the year ended 31st March 2013 and Reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Ramesh Agarwal who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Ashok Kumar Mahawar who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s B.M. Sharma & Associates, Chartered Accountants, New Delhi as Statutory Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Director to fix their remuneration in consultation with Auditors.

For and on behalf of the Board

**PLACE : New Delhi
DATED : 1st July, 2013**

**Sd/-
RAMESH AGARWAL
Managing Director**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.**
2. The Register of Members and Share Transfer Books of the Company will remain closed from 26th July 2013 to 30th July 2013 (both days inclusive)
3. Members are requested to bring their copies of the annual reports to the Annual General Meeting.

4. The Member/Proxies should bring the attendance slip duly filled in and signed for attending the meeting.
5. Members are requested to notify to the Company immediately of any change in their address.
6. Members desirous of making nomination in respect of their shareholdings in the Company, as permitted under section 109A of the companies act, 1956 are requested to submit their nomination in the prescribed Form 2B for the purpose to the Company.
7. Members, who hold shares in the dematerialized form, are requested to bring their depository account number (client id no. & DP id no) in the meeting for identification.

For and on behalf of the Board

PLACE : New Delhi
DATED : 1st July, 2013

Sd/-
RAMESH AGARWAL
Managing Director

**BRIEF RESUME OF THE DIRECTORS PROPOSED FOR RE-APPOINTMENT/ APPOINTMENT
AT THE 18TH ANNUAL GENERAL MEETING VIDE ITEMS NO. 2, 3 OF THE NOTICE**

Name	Mr. Ramesh Agarwal	Mr. Ashok Kumar Mahawar
Father's/ Husband's Name	Mr. Roshan Lal Agarwal	Mr. Panna Lal Mahawar
Date of Birth	24.08.1952	31.03.1958
Official Address	View Building, 3rd Floor, 165, Dr. A.B. Road, Worli, Mumbai, 400018,	27, Amartala Street, Calcutta, West Bengal- 700001
Qualifications	Graduate	B Sc.
Experience	33 Years	29 Years
Other Directorship in Public Limited Companies	Nil	Nil
Membership of Committees	Shareholder & Grievance Committee Remuneration Committee (In SRU Steels Limited)	Nil

DIRECTOR'S REPORTS**TO THE MEMBERS**

Your Directors have pleasure in presenting the Eighteenth Annual report of the Company along with the Audited Accounts for the year ended 31st March 2013

FINANCIAL RESULTS:

(Rs. in Lakhs)

PARTICULARS	CURRENT YEAR (2012-2013)	PREVIOUS YEAR (2011-2012)
Profit before Depreciation	18.05	11.48
Less: Depreciation	4.80	6.45
Net Profit after Depreciation	13.25	5.03
APPROPRIATION		
Provision for Taxation	4.10	1.56
Balance Carried forward to Balance Sheet	9.15	3.47

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 31st March 2013.

CURRENT YEAR WORKING:

Your Directors in the current year expect that the Company is striving hard to improve its performance and achieving better results. The Board of Directors are striving to improve the profitability of the Company.

CORPORATE GOVERNANCE:

Pursuant to Clause 49 of the Listing Agreement executed with Stock Exchanges, a Management Discussion & Analysis Report, Corporate Governance Report, Managing Director's and Auditor's Certificate regarding Compliance of conditions of Corporate Governance are made part of the Annual Report.

DIRECTORS:

Mr. Ramesh Agarwal and Mr. Ashok Kumar Mahawar, Directors of the Company, being longest in the office, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Directors of your Company give hereunder the Directors responsibility statement relating to the account of the Company.

- All the applicable accounting standards have been followed in the preparation of the accompanying accounts.
- The Directors have selected such Accounting Policies and applied them consistently and made judgments 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 on 31st March 2013 and of the Profit and Loss of the Company for the said period.

- c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) The Directors have prepared the Annual Accounts on a going concern basis.

COMPLIANCE CERTIFICATE

In view of the notification no. G.S.R. 11(E) dated 5th January 2010, issued by Ministry of Corporate Affairs, the Company is required to obtain Compliance Certificate from Company Secretary in practice. The Company had appointed M/s DR Associates, Company Secretaries in practice, as Secretarial Auditors of the Company to issue Compliance Certificate for the financial year ended 31st March 2013.

AUDITORS & AUDITOR'S REPORT:

M/s B.M. SHARMA & ASSOCIATES, Chartered Accountants, New Delhi, Statutory Auditors of the Company, retires at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

The Auditors Report is self explanatory and requires no comments.

PUBLIC DEPOSITS

Your Company, during the year under review, has not invited or accepted any fixed deposits from the public in terms of the provisions of section 58A of The Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES:

None of the employees of your Company is covered under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended from time to time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO:

- 1) **Conservation of Energy:** Your Company has not consumed energy of any significant level and accordingly no measures were taken for energy conservation and no investment was made for reduction of energy consumption.
- 2) **Technology Absorption:** No comment is being made on the technology absorption considering the nature of activities undertaken by your Company during the year under review.
- 3) **Foreign Exchange earning and Outgo:** There has been no foreign exchange earnings and outflow during the year.

ACKNOWLEDGEMENT:

Relationship with Shareholders, Banks, Suppliers and Customers remained excellent during the year under review. Your Directors are grateful for the support extended by them and look forward to receiving their continued support.

FOR AND ON BEHALF OF THE BOARD

PLACE: New Delhi
DATED: 1st July, 2013

(RAMESH AGARWAL)
Managing Director

COMPLIANCE CERTIFICATE

Registration No.: L17300DL1995PLC107286

Nominal Capital: Rs. 8.5 Crore

The Members

SRU STEELS LIMITED

416-417-432, Rajendra Jaina Tower-I,
Plot No.-18, Wazipur Shopping Complex,
Delhi-110052

We have examined the registers, records, books and papers of SRU STEELS LIMITED, as required to be maintained under the Companies Act, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013. In our opinion and to the best of our information and according to the examination carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies under the Act and the rules made there under. However, the Company has not filed any forms and returns with Regional Director, Central Government, Company Law Board or other authorities.
3. The Company, being a Public Limited Company, comments is not required.
4. The Board of Directors duly met **Six** times on 30th May 2012, 13th August 2012, 29th August 2012, 08th November 2012, 14th February 2013 and 31st March 2013, in respect of which meetings, proper notices were given and the proceedings were properly recorded and signed. However, there was no circular resolution passed during the financial year under review.
5. The Company closed its Register of Members from **24th September, 2012 to 28th September, 2012** and necessary compliance of section 154 of the Act has been made. However, the Company has not maintained any Register of Debenture holders, as there was no debenture issued by the Company.
6. The Annual General Meeting for the financial year ended March 31, 2012 was held on September 28, 2012 after giving due notice to the members of the Company and other concerned and the resolution passed thereat were duly recorded in the minutes book maintained for the purpose.
7. No extra ordinary general meeting was held during the year under review.
8. *The Company has given of Rs. 78.28 lacs to a private limited company covered under section 295 of the Act without obtaining the approval of Central Government. However, as explained by the management, the above default was made inadvertently due to ignorance of law and it will take immediate steps for the refund of the said amount.*
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make necessary entries in the register maintained under section 301 (3) of the Act.
11. As there were no instances falling within the purview section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.

12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company has:
 - a. Not made any allotment/transfer/transmission of securities during the financial year.
 - b. Not required to deposit any amount in a separate bank account as no dividend was declared during the financial year.
 - c. Not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - d. No amount lying in the Books of Accounts in respect of unpaid dividend, Application Money due for refund, Matured Deposits, Matured Debentures and the interest accrued thereon. However, the application money due to refund is not remained unclaimed and unpaid for a period more than seven years.
 - e. Duly complied with the requirement of section 217 of the Companies Act, 1956.
14. The Board of Directors of Company is duly constituted. There was no appointment of any director, additional director, alternate director, director to fill casual vacancy, during the financial year.
15. The Company has not appointed any Managing Director/Whole Time Director/Manager during the financial year.
16. The Company has not appointed any sole-selling agent during the financial year.
17. *The Company has not obtained the approval of Central Government under Section 295 of the Act in connection with the loan given to a private limited company covered under Section 295.*

Apart from this, the Company was not required to obtain any approvals of the Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have not disclosed their interest in other firms/companies to the Board of Directors by way of giving Form 24AA.
19. The Company has not issued equity Shares/debentures/other securities during the financial year.
20. The Company has not bought back any share during the financial year.
21. There was no redemption of preference shares or debentures during the financial year, as the Company has not issued any preference share or debenture.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowing during the financial year ended 31st March, 2013.
25. The Company has made loans or advances or given guarantee or provided securities to other body corporate within the limits specified under Section 372A of the Act and has made necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to objects of the Company during the year under scrutiny.

28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against the Company or show cause notices received by the Company and no fines or penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year under section 417 of the Act.
33. The Company has not deducted any contribution towards Provident Fund under Section 418 of the Act, during the financial year.

**FOR DR Associates
Company Secretaries**

**PLACE: New Delhi
DATED: 1st July, 2013**

**(DEEPAK GUPTA)
(Partner)
CP No. 4629**

Annexure - A: Registers as maintained by the Company

S.No.	Particulars	Under Section	
1	Register of Members	u/s	150
2	Minutes Book for the meetings of Directors	u/s	193
3	Minutes book for shareholders meetings	u/s	193
4	Register of Contracts in which Directors are Interested	u/s	301
5	Register of directors, managing /whole time directors	u/s	303
6	Register of Directors Shareholding	u/s	307

Annexure - B:

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2013.

S. No.	Form No./Return	Filed U/s	Date of filing	Whether filed within prescribed time Yes/No	If delay in filing, whether requisite additional fees paid or not
1	Form 66	383A	18/10/2012	Yes	N.A.
2	Form 20B	159	10/11/2012	Yes	N.A.
3	Form 23AC XBRL & Form 23ACA XBRL	220	11/12/2012	Yes	N.A.

**CORPORATE GOVERNANCE REPORT
(IN COMPLIANCE OF CLAUSE 49 OF LISTING AGREEMENT)**

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company philosophy on corporate governance is aimed at strengthening confidence among shareholders, customers and employees and ensuring a long term relationship of trust by maintaining transparency and disclosure. The philosophy is backed by principles of concern, commitment, ethics, excellence and learning in all its acts and relationships with stakeholders, customers and associates. The objective of Company is not only to meet the statutory requirement of the following corporate governance as prescribed under clause 49 of the listing agreement, but to develop such systems and follow such practices and procedures as would make the management completely transparent and accountable in its interaction with employees, shareholders, lending institutions and its customers, thereby enhancing the shareholders' value and protecting interest of the shareholders.

2. BOARD OF DIRECTORS

The business of the Company is managed by the Board of Directors. The information as required under Clause 49 of the Listing Agreement is being made available to the Board in their respective meeting. The Board of Directors comprises an optimum combination of executive, non executive Directors and independent Directors presenting the judicious mix of professionalism, knowledge, performance review, monitoring of plans and procedures. The independent Directors do not have any pecuniary relationship or transactions with the Company, promoters and management, which may affect the independence or judgement of the directors in any manner. The following is the composition of the Board of Directors of the Company as on 31st March 2013 which is in conformity with the provisions of Section 49 of the Listing Agreement:

A. COMPOSITION OF THE BOARD AS ON 31ST MARCH 2013.

Name of Director	Category	Number of Directorship in other Public Ltd. Companies as on 31st March 2013		Number of committee position in other public ltd. companies as on 31st March 2013	
		Chairman	Member	Chairman	Member
Mr. Ramesh Aggarwal	Managing Director	—	—	—	—
Mr. Naresh Kumar Garg	Non Executive Director	—	—	—	—
Mr. Rajeev Mittal	Independent Director	—	—	—	—
Mr. Prem Parkash Agarwal	Independent Director	—	—	—	—
Mr. Pankaj Jain	Independent Director	—	—	—	—
Mr. Ashok Kumar Mahawar	Whole time Director	—	—	—	—

The detail of Shareholding of Directors as on 31st March 2013 is as follows:

Sl. No.	Name of Director	No. of Shares	Percentage of Shareholding
1	Mr. Ashok Kumar Mahawar	29,000	0.8%
2	Mr. Prem Prakash Agarwal	3,500	0.1%

B. NO. OF BOARD MEETINGS HELD

During the year 2012-2013, the Board of Directors met 6 times on the following dates: 30th May 2012, 13th August 2012, 29th August 2012, 08th November 2012, 14th February 2013 and 31st March 2013

C. ATTENDANCE RECORD OF THE DIRECTORS AT MEETINGS OF THE BOARD AND OF THE MEMBERS

The attendance record of the Directors is as under:

NAME OF DIRECTOR	BOARD MEETINGS	LAST AGM
Mr. Ramesh Aggarwal	4	Yes
Mr. Naresh Kumar Garg	4	Yes
Mr. Rajeev Mittal	4	Yes
Mr. Prem Prakash Agarwal	5	Yes
Mr. Pankaj Jain	3	Yes
Mr. Ashok Kumar Mahawar	1	No

C. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct for all its Board members and senior management personnel of the Company. The Code of Conduct has also been posted on the website of the Company. All Board members and senior management personnel have on March 31, 2013, affirmed compliance with the Code of Conduct. A declaration to this effect, duly signed by the Managing Director is annexed and part of the report.

3. COMMITTEE OF THE BOARD

In compliance with the Listing Agreement and to focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted various committees with specific terms of reference and scope. The constitution and charter of the Board Committees are given herein below:

AUDIT COMMITTEE

a) Constitution and Terms of Reference

The Audit Committee comprises of three directors and all of them are Non Executive Independent directors. The Chairman of the Audit Committee is an Independent Director. The Audit Committee's terms of reference conforms to Section 292 A of the Companies Act, 1956 as well as clause 49 of the Listing Agreement.

b) Composition, Meeting and Attendance

During the financial year 2012-13, the committee met four times i.e. on 30th May 2012, 13th August 2012, 08th November 2012 and 14th February 2013.

The composition and the attendance of members at the meetings held during the financial year 2012-12 are given below:

Name of Director	Attendance Particulars	Remarks
Mr. Rajeev Mittal (Chairman)	4	—
Prem Prakash Agarwal	4	—
Mr. Pankaj Jain	2	—

4. REMUNERATION COMMITTEE

a) Constitution and Terms of Reference

The Remuneration Committee inter alia, deals with all elements of remuneration of all whole time Directors, service contracts, notice periods, severance payments etc. There was no meeting held of remuneration committee during the financial year ended 31st March 2013.

b) Composition, Meeting and Attendance

c) Remuneration Policy

The remuneration of Directors is determined keeping in view the overall limits of section 198 and 309 read with part II of Schedule XIII of the Companies Act, 1956. No director of the Company is paid remuneration exceeding the abovesaid limits.

ANNUAL REMUNERATION OF DIRECTORS: SITING FEES, SALARY, PERQUISITES AND COMMISSION

Name of Director	Sitting Fees	Commission on Profits	Salary & allowances	Contribution to Provident Fund	Total
Mr. Ramesh Agarwal (MD)	Nil	Nil	3,00,000	Nil	3,00,000
Mr. Prem Parkash Agarwal	5000	Nil	Nil	Nil	5000
Ms. Pankaj Jain	3000	Nil	Nil	Nil	3000
Mr. Naresh Kumar Garg	Nil	Nil	Nil	Nil	Nil
Mr. Rajiv Mittal	4000	Nil	Nil	Nil	4000
Mr. Ashok Kumar Mahawar	Nil	Nil	Nil	Nil	Nil
Total	12000		3,00,000	Nil	3,12,000

5. SHAREHOLDERS / INVESTORS GRIEVANCES COMMITTEE

This committee is vested with the requisite power and authorities to specifically look into the redressal of shareholder and investor grievances.

No. of investor Queries/complaints received in the year 2012-2013	Pending at the end of the year	No. of pending share transfer
NIL	NIL	NIL

The list of members of the committee along with the meeting attended by them during the year is as under:

Name of Director	Attendance Particulars	Remarks
Pankaj Jain (Chairman)	4	—
Ramesh Agarwal	3	—
Prem Prakash Agarwal	4	—

Mr. Ramesh Agarwal, Managing Director of the Company is the Compliance Officer of the Company. The status of compliance is reported to the Board of Directors through the minutes of the committee Meeting of the Shareholder/Investor Grievances committee.

6. GENERAL BODY MEETINGS

The last three Annual General Meetings of the Company were held at the registered office of the Company at 416-417-432 Rajendra Jaina Tower-1 Plot No. 18, Wazirpur Shopping complex, Delhi -52 on 30th September, 2010, 30th September, 2011 and 28th September 2012 respectively.

7. DISCLOSURES

- 7.1) There have been no materially significant related party transactions, pecuniary transactions or relationships between SRU Steels Ltd and its Directors for the year ended 31st March 2013.
- 7.2) There was no case of non-compliance by the Company, penalties, and strictures imposed on the company by stock exchange or SEBI or any statutory authority or any matter relating to capital market.
- 7.3) The Company has not adopted any Whistle Blower policy. However the Company has not denied access of any personnel to approach the management or the Audit Committee on an issue.
- 7.4) The Company has complied with the mandatory requirements of clause 49 of the listing agreement and not complied with non mandatory requirements as mentioned in Annexure ID except the requirement of setting up of Remuneration Committee and its related provisions.
- 7.5) The Company has adopted a Risk Management Policy. It has laid down procedures to inform Board members about the potential risks, their assessment and control. These procedures are periodically reviewed to ensure that executive management controls risk by means of properly defined framework of policies and strategies.

8. MEANS OF COMMUNICATION

The Company publishes its quarterly and annual Financial Results in the Pioneer (English) & Hari Bhumi (Hindi) newspapers.

9. GENERAL SHAREHOLDER INFORMATION

AGM, BOOK CLOSURE AND FINANCIAL YEAR DETAILS,

The Annual General Meeting of the Company shall be held on Tuesday, 30th July 2013, at 10.30 A.M at 416-417-432, Rajendra Jaina Tower-1, Plot No.18, Wazirpur Shopping Complex, Delhi – 110 052.

Book closure period is from 26th July 2013 to 30th July 2013. (Both days Inclusive)

The Corporate Governance Report relates to Financial Year 2012-2013.

FINANCIAL CALENDER (Tentative, subject to change)

Financial Year : April 1st 2013 to March 31st 2014

Results for the Quarter ending **Tentative Date for approval**

30th June 2013	mid of August, 2013
30th September 2013	mid of November, 2013
31st December 2013	mid of February, 2014

Annual Results for the F.Y. ending **Tentative Date for approval**

31st March 2014	End of May, 2014
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LISTING ON STOCK EXCHANGES

The Company's Equity Shares are listed on Delhi Stock Exchange Association Limited, Ahmedabad Stock Exchange Association Limited and Ludhiana Stock Exchange Association Limited.

The ISIN Number of SRU Steels Ltd on both NSDL and the CDSL is **INE 425C01017**.

There was no trading of shares in any Stock Exchange, where the Company is listed, therefore the Low, High quotation are not available.

SHARES HELD IN PHYSICAL AND DEMATERIALIZATION FORM:

As on 31st March 2013 (0.51%) of shares were held in dematerialized form and rest in physical form.

DISTRIBUTION OF HOLDING

The Promoter holds 42.65 % and Public Shareholders including Corporate Shareholders hold 57.35 % of Shareholding.

REGISTRAR AND TRANSFER AGENT

The Registrar and Share Transfer Agent is:

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.,
BEETAL HOUSE, 3rd 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.

SHARE TRANSFER SYSTEM

All the transfers of shares held in demat form are processed by the registrar and share transfer agent and approved by the Company. The transfers of shares which are held in physical form are processed by the Company. Pursuant to clause 47(c) of listing agreement with the stock exchanges, certificate on half yearly basis have been issued by the company secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to SEBI (Depository and Participant) Regulations, 1996, certificate has also been received from the Company Secretary in practice for timely dematerialization

and rematerialization of the shares of the Company and for conducting secretarial audit on the quarterly basis for reconciliation of the share capital of the Company.

GREEN INITIATIVE

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, Government of India, by its Circulars, enabling electronic delivery of documents including the Annual Report, Quarterly, Half-yearly results etc. to shareholders at their e-mail address previously registered with the Depository Participants (DPs)/Company/Registrars & Share Transfer Agents.

Shareholders who have not registered their e-mail addresses so far are requested to register their e-mail addresses. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with Abhipra Capital Limited, by sending a letter, duly signed by the first/sole holder quoting details of Folio No.

ADDRESS FOR CORRESPONDENCE

The Shareholders can contact to Registrars and Share Transfer Agents for share transfer and related queries

BEETAL FINANCIAL & COMPUTER SERVICES (P) LTD.,
BEETAL HOUSE, 3rd 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

Company (for general assistance)

SRU Steels Ltd 416-417-432, Rajendra Jaina, Tower I, plot No. 18, Wazirpur Community center, Delhi – 52. Ph. No. 27374522, 27373622

MANAGEMENT**A. The Management Discussion and analysis report**

The annual report contains a detailed chapter on management analysis and report.

B Disclosures by Management to the Board

All details relating to the financial and commercial transactions where Directors may have a potential interest are provided to the Board.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

As required by clause 49 of the listing Agreement, the Auditors Certificate is given as Annexure to the Directors report.

CEO AND CFO CERTIFICATION

As required by clause 49 of the listing Agreement, the CEO/CFO certification is annexed and forms part of this annual report.

Auditors' certificate on compliance of conditions of Corporate Governance under Clause 49 of the Listing Agreement

To
The members of
SRU Steels Limited

We have examined the compliances of conditions of Corporate Governance by M/s SRU Steels Limited, during the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges where equity shares of the Company are listed.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to review of procedures adopted by the Company and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. Our examination may not be construed as an audit or an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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**

**Place: New Delhi
Dated: 1st July, 2013**

**(Kuldeep Sharma)
Partner**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**INDUSTRY STRUCTURE & DEVELOPMENTS**

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.

OPPORTUNITIES, THREATS, RISKS AND CONCERNS

The Company has the opportunity to further increase the sales as there may be growing demand in future. The Company seeks lots of opportunities in the steel market in future. The Company anticipates the increasing demand of steel because of development of various kinds of Infrastructure and Housing Projects. The Company has also planned to start the direct sales in this sector apart from Consignment sales.

SEGMENT PERFORMANCE

Due to the intense competition in the segment of steel trading there are number of players in this segment of business. The Company is striving to have the competitive position in the business segment of Iron & Steel and making all efforts to increase the turnover in this segment.

INTERNAL CONTROL SYSTEM & THEIR ADEQUACY

The Company has a good system of internal controls in all sphere of its activity. The internal control system is supplemented by effective Internal Audit. The audit committee regularly reviews the findings of the internal auditors and effective steps to implement the suggestion /observation of the auditors are taken and monitored regularly. In the opinion of the Board, an effective internal control system commensurate to the size of the Company exists.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Though there was decrease in the revenue from operation from 120.23 lacs to 54 lacs, there was increase in other income from .18 lacs to 6.43 lacs as against the previous year. The Company has earned a profit before tax amounting to Rs. 13.24 lacs as against Rs. 5.03 Lacs in the previous financial year. The Board is striving hard to further increase the turnover and overall profitability of the Company and also planning to offer direct sales apart from sale on consignment basis.

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 through out 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.

To motivate and to get the best results from the employees the Company has the performance based incentive scheme for its entire management & office cadre.

CAUTIONARY STATEMENT

Statement in this report describing the Company's position and expectations may be "forward statements" with in the meaning of applicable securities laws or regulations. Actual result could differ materially from those expressed or implied. Important factors that could make the difference to the Company's operations include, among others, economic condition affecting demand/ supply and the price condition in the market in which the Company operates changes in the Government regulations, Tax laws and other statutes and incidental factors.

INDEPENDENT AUDITOR'S REPORT

To the members of
SRU STEELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SRU Steels Limited ("the Company") which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these 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 Standards referred to in sub-section(3C) of section 211 of the Companies Act, 1956 (the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 financial statements based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 of material misstatement.

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 control relevant to the company's preparation and fair presentation of the

Financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, 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 qualified audit opinion.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the 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:

- i) in the case of Balance Sheet, of the state of affairs of the company as at 31st March 2013.
- ii) in the case of the Statement of Profit and Loss, of the **profit** for the year ended on that date; and
- iii) in the case of Cash Flow Statement, of the **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, 2003 ("the order), as amended, issued by the Central government of India in terms of sub-section (4A) of section 227 of the Act, we give in the *Annexure* a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2 As required by section 227 (3) of the Act, we report that:
 - a) we have 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 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 Balance Sheet, Statement of Profit and Loss, and Cash flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and
 - f) since the central government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**PLACE: NEW DELHI
DATED: 31.05.2013**

**(KULDEEP SHARMA)
PARTNER
M.NO. 084073**

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

Referred to in sub-paragraph 1 under 'Report on Other Legal and Regulatory Requirements' paragraph of our audit report of even date:

- (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 at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The company has not disposed off a substantial part of its fixed asset during the year and the going concern status of the company is not affected.
- (ii) (a) The consignment stock held by the company during the year has been physically verified by the management at reasonable interval.
- (b) The procedures of the physically verification of consignment stock followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company has maintained proper records for all the consignment stocks and we have been explained that there was no material discrepancies noticed on such physical verification of stocks as compared to book records.
- (iii) The company has neither granted nor taken any loan, secured or unsecured from/to company's, firm or other parties covered in register maintained u/s. 301 of the companies Act, 1961, accordingly the clause 4 (iii) (b) to (d) of the order are not applicable
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of fixed assets, receipt and sale of consignment stocks. Further, during the course of our audit, we have neither come across nor have we been informed of any significant continuing failure to correct major weaknesses in the internal control system.
- (v) In our opinion and according to information and explanations given to us, there are no transactions that need to be entered into a register maintained U/s. 301 of the Company's Act, 1956. Accordingly, the clause 4 (v) (b) of the order is not applicable.
- (vi) According to the information and explanation given to us, the company has not accepted any deposits from the public during the year. Therefore the clause (vi) of Paragraph 4 of the order is not applicable.
- (vii) In our opinion, the company has an internal audit system commensurate with the size of the company and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956.
- (ix) 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, 2013 for a period of more than six months from the date they become payable.

- (b) The disputed statutory dues aggregating to ' 4.22 lacs that have not been deposited on account of disputed matters pending before appropriate authorities as under:-

S.No	Name of the Statute	Nature of Dues	Amt. (Rs in lacs)	Period to which amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax Penalty	4.22	1998-1999	Punjab & Haryana High Court

- (x) The Company has no accumulated losses as at 31st March 2013. The company has not incurred any cash losses during the year and in the immediately preceding financial year.
- (xi) According to the records of the company examined by us and the information and explanation given to us, the company has not taken any loans from any financial institutions and also not issued any debentures, therefore the provisions of clause (xi) of Paragraph 4 of the order is not applicable.
- (xii) In our opinion and according to information and explanations given to us, and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities, accordingly Clause (xii) of paragraph 4 of the order is not applicable.
- (xiii) The company is not a chit fund, nidhi, mutual benefit or a society. Accordingly, clause (xiii) of paragraph 4 of the Order is not applicable.
- (xiv) In our opinion the company is not a dealer or trader in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by the other from banks or financial institutions.
- (xvi) As per information and explanations given to us, the company has not raised any term loan for purchase of any of the assets during the year.
- (xvii) According to the information and explanations given to us and on the basis of overall examination of balance sheet of the company, there are no funds raised on short-term basis, which have been used for long-term investment, and vice versa.
- (xviii) The company has not made any preferential allotment of shares to any parties or Company's covered in the register maintained U/s. 301 of the Company's Act, 1956.
- (xix) The Company has not issued any debentures. Hence the requirement of Clause (xix) of paragraph 4 of the order is not applicable to the company.
- (xx) The Company has not raised any monies by way of public issue during the year.
- (xxi) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

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

**PLACE: NEW DELHI
DATED: 31-05-2013**

**(KULDEEP SHARMA)
PARTNER
Membership No. 084073**

**BALANCE SHEET AS AT 31ST MARCH 2013**

(Rs. in thousands)

PARTICULARS	NOTE No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
I Equity and Liabilities			
1 Share holders' funds			
(a) Share Capital	2.1	36,274,000	36,274,000
(b) Reserve & Surplus	2.2	9,730,260	8,814,897
2 Non Current Liabilities			
(a) Other Long Term Liabilities	2.3	385,752	385,752
2 Current liabilities			
(a) Short Term Provisions	2.4	449,699	165,859
(b) Trade Payable	2.5	-	24,904,068
(c) Other current liabilities	2.6	1,496,849	3,862,236
TOTAL		48,336,560	74,406,811
II Assets			
1 Non-current Assets			
Fixed Assets			
(i) Tangible assets	2.7	1,459,909	1,932,769
(b) Deferred Tax Assets	2.8	135,123	94,753
(c) Long term Loans and advances	2.9	2,186,050	2,186,050
(d) Other Non Current Assets	2.1	66,120	99,180
2 Current assets			
(a) Trade receivable	2.11	32,546,193	67,975,730
(b) Cash and Cash Equivalent	2.12	2,829,540	1,230,737
(c) Short term Loan & Advances	2.13	7,827,784	-
(d) Other current assets	2.14	1,285,841	887,592
TOTAL		48,336,560	74,406,811
SIGNIFICANT ACCOUNTING POLICIES	1 & 2		
NOTES ON ACCOUNTS			

FOR & ON BEHALF OF THE BOARD

(RAMESH AGARWAL)
MANAGING DIRECTOR(PREM PRAKASH AGARWAL)
DIRECTORAs per our report of even date attached
For B.M. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No. - 007944N)PLACE : NEW DELHI
DATED : 31-05-2013(KULDEEP SHARMA)
PARTNER
Membership No.084073

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rs. in thousands)

PARTICULARS	NOTE No.	Figures as at the end of current reporting period	Figures as at the end of the previous reporting period
I. Revenue from operations (gross)	2.13	5,400,095	12,004,354
Less: Excise duty		-	-
Revenue from operations (Net)		5,400,095	12,004,354
II. Other Income	2.14	642,989	18,352
III. Total Revenue		<u>6,043,084</u>	<u>12,022,706</u>
IV Purchase of Stock in Trade	2.15	8,594	-
IV Expenses:	2.16		
Purchases	2.17	-	8,593,720
Employee benefits expenses	2.18	1,002,670	846,101
Finance Costs		-	5,252
Depreciation and amortisation expenses		480,104	644,622
Other expenses		3,235,618	1,429,536
Total expenses		<u>4,718,392</u>	<u>11,519,231</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		1,324,692	503,475
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V-VI)		1,324,692	503,475
VIII Extra ordinary Items		-	-
IX Profit before tax (VII - VIII)		1,324,692	503,475
X. Tax Expenses			
1) Current tax		449,699	165,859
2) Deferred tax		(40,370)	(10,285)
XI Profit(Loss) for the period (XI + XIV)		915,363	347,901
XII Earning per equity shares:			
1) Basic		0.25	0.096
2) Diluted		0.25	0.096
Significant Accounting Policies	1 & 2		

FOR & ON BEHALF OF THE BOARD

(RAMESH AGARWAL)
MANAGING DIRECTOR(PREM PRAKASH AGARWAL)
DIRECTORAs per our report of even date attached
For B.M. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No. - 007944N)PLACE : NEW DELHI
DATED : 31-05-2013(KULDEEP SHARMA)
PARTNER
Membership No.084073

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 under the historical cost convention on accrual basis, in accordance with the applicable mandatory accounting standards and as per the applicable provisions of company's Act. 1956.

B FIXED ASSETS:

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

C DEPRECIATION:

Depreciation on fixed is being provided on Written Down Value Method at the rate and in the manner prescribed in Schedule XIV to the companies Act, 1956 on pro-rata basis.

D REVENUE RECOGNITION:

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

E 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 realised in future.

F 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.

G 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.

H RETIREMENT BENEFITS:

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

I 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.

J 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.

K MISCELLANEOUS EXPENDITURE:

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

L 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:

A SEGMENT REPORTING

The company is engaged in business of Acting as Consignment agent and the company is dealing in only one segment therefore, Accounting Standard No.17 issued by the Institute of Chartered Accountants of India is not applicable.

B BASIC AND DILUTED EARNING PER SHARE:

For the purpose of calculation of basic and Diluted earning per share of following amounts have been considered

S.NO.	PARTICULARS	2012-13	2011-12
(a)	Amount used as the numerators		
	(i) Net profit/Loss) after tax (In ₹)_	915563	347901
	(ii) Net profit/(loss) available for equity shareholders ((In ₹)	915563	347901
(b)	Weighted average number of equity shares for basic (EPS)	3627400	3627400
(c)	Weighted average number of equity share for diluted EPS	3627400	3627400
(d)	Basic Earning Per share (₹)	0.25	0.096
(e)	Diluted Earning Per Share (₹)	0.25	0.096

C MICRO, SMALL AND MEDIUM ENTERPRISES:

The company has not received any information from "Suppliers" regarding their status under the Micro, Small and Medium Enterprise Development Act. 2006 and hence

disclosure if any relating to the amount unpaid at the end of year together with interest paid/payable as required under the said Act have not been furnished.

	2012-13	2011-12
D Estimated amount of contracts remaining to Be executed on capital account and not Provided for	NIL	NIL
E Foreign Exchange Earning/Expenses Expenditure in foreign currency	NIL	NIL
F Value Import on CIF Basis	NIL	NIL
G CONTINGENT LIABILITY NOT PROVIDED FOR: Income tax disputed demand (‘ in Lacs)	4.22	4.22

In the option of the management, no provisions is considered necessary for the dispute mentioned above on the ground that there are reasonable chances of successful outcome of appeal.

H **PAYMENT TO AUDITORS:**

Statutory Audit fee	58,708	53,371
Other services	3,640	2,868

I **MANAGERIAL REMUNERATION:**

For Remuneration	3,00,000	3,75,000
For Meeting fee	12,000	11,500

j 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.

K Particulars in respect of Opening stock, Purchases, Sales and Closing Stock:

—Not Applicable—

l Previous year figures have been regrouped and re arranged wherever necessary.

M Figures have been rounded off to the nearest rupees.

For & ON BEHALF OF THE BOARD OF DIRECTORS

(DIRECTOR)

(DIRECTOR)

**For B.M SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No. 007944N)
(KULDEEP SHARMA)
PARTNER
M. No. 084073**

**PLACE: NEW DELHI
DATED: 31.05.2013**

2 NOTES ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2013

The previous period figures have been regrouped/reclassified, wherever necessary to confirm to the current period presentation

2.1 SHARE CAPITAL **31st March 2013** **As At 31st March, 2012****Authorised:**

Equity shares Rs. 10/- per value 8500000 (8500000) equity shares	8,50,00,000	8,50,00,000
	8,50,00,000	8,50,00,000

Issued, Subscribed and Paid up

Equity shares Rs. 10/- per value 3627400 (3627400) equity shares	36,274,000	36,274,000
	36,274,000	36,274,000

- The company has only one class of shares referred to as equity shares having a par value of Rs. 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-

Particulars	As at March 31, 2013		As at March 31, 2012	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Number of shares at the beginning	36274000	36274000	36274000	36274000
Add: shares issued	-	-	-	-
Number of shares at the end	36274000	36274000	36274000	36274000

Particulars of persons holding more than 5% of equity shares as on March 31, 2013 and March 31, 2012 is as follows-

Particulars	% of Holding	As at March 31, 2013		As at March 31, 2012	
		Number of shares	Amount in ₹	Number of shares	Amount in ₹
M/s. M.M. Fiscal Services Pvt Ltd	42.65	1,547,000	15,470,000	1,547,000	15,470,000
		1,547,000	15,470,000	1,547,000	15,470,000

2.02 RESERVE AND SURPLUS

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Capital Reserve: Forefeiture of unpaid share	6,155,500	6,155,500

General Reserve-opening balance	2,659,397	2,311,496
Add: Profit during the year	915,363	347,901
Surplus closing balance	9,730,260	8,814,897
2.3 OTHER LONG TERM LIABILITIES (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Electrotherm (India) Limited	385,752	385,752
	385,752	385,752
2.4 SHORT TERM PROVISIONS (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Provision for Taxes Income Tax	449,699	165,859
	449,699	165,859
2.5 TRADE PAYABLES (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Jindal Stainless Limited	-	24,904,068
	-	24,904,068
<p>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.</p>		
2.6 OTHER CURRENT LIABILITIES (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Provision for expenses	33,644	24,130
Audit Fees Payable	58,708	53,371
RTA Charges	5,786	-
Internal Audit Fees	12,500	10,000
Directors Remuneration Payable	144,850	-
TDS Payable	122,396	-
Telephone Expenses Payable	1,958	2,898
Electric Charges Payable	6,621	5,310
Vat Payable	-	3,766,527
Commission payable	1,078,386	-
Rent Payable	32,000	-
	1,496,849	3,862,236

2.7 NON-CURRENT ASSETS**TANGIBLE ASSETS**

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Tangible Assets	As per Annex-1	As per Annex-1
	As per Annex-1	As per Annex-1

2.8 DEFERRED TAX ASSETS (Net)

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Opening balance	94,753	84,468
Adjustment during the year	40,370	10,285
	135,123	94,753

2.9 LONG TERM LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Associated Petroleum Corp.	20,000	20,000
Security deposits in SPIPL	2,000,000	2,000,000
National Saving certificates	3,000	3,000
SRM Alloys Pvt. Ltd.	163,050	163,050
	2,186,050	2,186,050

Security deposit includes amount paid as security for office/godown premises.
National saving Certificates has been pledged with VAT department against registration.

2.10 OTHER NON CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Miscellaneous expenditure (to the extent not written off or adjusted) Opening balance	99,180	132,240
Less: Writtenoff duringthe year	33,060	33,060
	66,120	99,180

2.11 TRADE RECEIVABLES

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Over six months		
Suri Rajendra Rolling Mills	11,636,586	–
Others		
Amit Industries	–	5,076,285
Kruti Associates	–	1,400,000
Suri Rajendra Rolling Mills	18,363,414	58,541,154
M.P. Industries	–	1,229,214
Jindal Starline	2,546,193	264,028
Sagar Rolling Mill (P) Ltd.	–	1,465,049
	32,546,193	67,975,730

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

2.12 CASH AND CASH EQUIVALENTS

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Cash in hand	204,467	317,432
Balance with Banks In current accounts		
City Bank	2,500,330	378,218
Kotak Mhindra Bank	64,157	354,985
State Bank of India	60,586	180,102
	2,829,540	1,230,737

Cash and cash equivalents comprises cash and cash on deposits with bank.

2.13 SHORT TERM LOAN AND ADVANCES

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
S & J Granulate Solution P Ltd	7,827,784	-
	7,827,784	-

2.14 OTHER CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Prepaid Insurance	22,408	65,900
TDS by Others	542,392	371,485
TDS on Commission	64,364	-
TDS on Interest	62,929	-
Input VAT	163,556	-
Income Tax Refund		
2004-05	378	378
2005-06	1,284	1,284
2009-10	174,640	174,640
2011-12	48,276	273,905
2012-13	205,614	-
	1,285,841	887,592

2.15 INCOME FROM OPERATION

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Gross Sales	-	8,636,513
Less : Excise duty	-	-
Net Sales	-	8,636,513
Commission Received	5,400,095	3,367,841
	5,400,095	12,004,354

2.16 OTHER INCOME (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Interest received	629,274	–
Interest on Income tax refund	13,715	18,352
	642,989	18,352
2.17 PURCHASE OF STOCK IN TRADE (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Purchases During the year	–	8,593,720
	–	8,593,720
2.18 EXPENSES (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
EMPLOYEES BENEFIT EXPENSES		
Salary & wages	667,400	448,100
Remuneration to directoes	300,000	375,000
Staff Welfare Expenses	35,270	23,001
	1,002,670	846,101
FINANCIAL COST		
Bank Charges	–	5,252
DEPRECIATION		
Depreciation and amortisation expense (As per Annex-1)	480,104	644,622
OTHER EXPENSES		
Loading charges	95,472	201,507
Travelling expenses	641,576	124,730
Advertisement Expenses	42,754	34,048
Business Promotion Exp.	75,665	100,000
Conveyance Expenses	49,302	20,010
Printing & Stationery	45,558	43,857
Postage & Stamps	25,000	17,905
General expenses	11,640	12,204
Telephone expenses	118,825	98,727
Auditor's Remuneration	58,708	53,371
Professional & legal charges	90,894	37,368
Computer expenses	21,008	6,902
Car running expenses	432,038	352,233
Scooter running expenses	42,392	36,998
Electricity charges	43,313	48,793

Professional tax	1,920	4,760
Rates & taxes	2,500	2,400
Insurance charges	70,387	42,816
AMC/MCD taxes	2,400	2,094
Rent Exp.	32,000	48,000
Listing Fees	11,236	11,030
Commission expense	1,198,207	–
RTA Charges	23,270	28,210
Misc exp Amortised	33,060	33,060
NSDL/CSDL expenses	24,753	30,013
Internal Audit fee	12,500	10,000
Meeting & AGM Exp.	29,240	28,500
	3,235,618	1,429,536
2.19 CURRENT TAX (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Current Tax		
Income Tax	449,699	165,859
	449,699	165,859
2.20 EARNINGS PER SHARE		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Profit attributable to the equity shareholders	915,363	347,901
Number of equity shares outstanding at the end of the year	3,627,400	3,627,400
Nominal value of equity share (₹)	10/-	10/-
Basic/ Diluted EPS (₹)	0.25	0.096
2.21 CONTINGENT LIABILITIES AND COMMITMENTS (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
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.		
2.22 PAYMENT TO AUDITORS (Amount in ₹)		
PARTICULARS	As At 31st March 2013	As At 31st March 2012
Statutory Audit fee	58,708	53,371
Others	--	2,868
	58,708	56,239

2.23 MANAGERIAL REMUNERATION

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
For Remuneration	300,000	375,000
For Meeting fee	12,000	11,500
	312,000	386,500

2.24 EXPENDITURE/EARNINGS IN FOREIGN CURRENCY

(Amount in ₹)

PARTICULARS	As At 31st March 2013	As At 31st March 2012
Expenditure	-	-
Earning	-	-
	-	-

2.25 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.

2.26 Particulars in respect of opening stock, purchases, sales and closing stock :-
Not applicable

2.27 Figures have been rounded off to the nearest rupees

2.07 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION AND AMORTIZATION					NET BLOCK		
	%Age	As At 01/04/ 2012	Add/ adj in the year	Ded. during the year	As At 31/03/ 2012	As at 01/04/ 2011	For the year	Dep./Adj. dur. the year	As At 31/03/ 2013	As At 31/03/ 2013	As At 31/3/ 2012
TANGIBLE ASSETS:-											
COMPUTER	40.00	217,469	-	43,160	174,309	207,069	3,769	42,181	168,657	5,652	10,401
PHOTOCOPY	13.91	90,000	8,800	-	98,800	76,636	1,859	1,123	79,618	19,182	13,363
CAR	25.89	2,426,839	-	-	2,426,839	724,815	440,654	-	1,165,469	1,261,370	1,702,024
OFFICE PREMISES	5.00	102,236	-	-	102,236	44,087	2,908	-	46,995	55,241	58,150
MOTOR CYCLE	25.89	105,793	-	2,285	103,508	65,190	10,363	1,710	73,843	29,665	40,603
FURN. & FIXTURE	18.10	240,150	-	-	240,150	135,771	18,893	-	154,664	85,486	104,378
REFRIGERATOR	13.91	8,000	-	-	8,000	4,150	536	-	4,686	3,314	3,850
TOTAL		3,190,487	8,800	45,445	3,153,842	1,257,718	478,981	45,014	1,693,931	1,459,909	1,932,769

FOR & ON BEHALF OF THE BOARD

(RAMESH AGARWAL)
MANAGING DIRECTOR(PREM PRAKASH AGARWAL)
DIRECTORAs per our report of even date attached
For B.M. SHARMA & ASSOCIATES
CHARTERED ACCOUNTANTS
(Registration No. - 007944N)PLACE : NEW DELHI
DATED : 31-05-2013(KULDEEP SHARMA)
PARTNER
Membership No.084073

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Amount in ₹)

A. Cash Flow From Operating Activities	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012	
a) Net Profit after tax and extraordinary Items	874,993	349,843	
Add: Provision for taxation	449,699	166,727	
Depreciation	480,104	644,622	
Preliminary expenses amortised	33,060	33,060	
Less: Profit on Sale of Fixed Assets	-	-	
b) Operating profit before working capital changes	1,837,857	1,194,252	
Adjustment for:			
(Increase)/Decrease in Trade Receivable	35,429,537	(3,987,282)	
(Increase)/Decrease in Loan and Advance	-	15,600,000	
(Increase)/Decrease in Short term Loan and Advance	(7,827,784)	(82,726)	
(Increase)/Decrease in Other non Current Assets	(398,249)	(19,285)	
(Increase)/Decrease in Trade Payable	(24,904,068)	(15,115,499)	
(Increase)/Decrease in Other Current Liabilities	(2,365,387)	2,854,093	
(Increase)/Decrease in Current Provision	283,840	166,727	
c) Cash generated from operations	2,055,748	619,280	
Less: Income tax paid	449,699	166,727	
Net cash from operating activities		1,606,049	452,553
B Cash Flow from Investing Activities			
Purchase of fixed assets (Net)	(8,800)	-	
Sale of fixed assets (Net)	1,554	-	
Net cash from Investing Activities		(7,246)	-
C Cash Flow from Financing Activities		-	-
D Net Increase/(decrease) in Cash and Cash equivalent		1,598,803	452,553
Cash & Cash equivalent at beginning of the year		1,230,737	778,184
Cash & Cash equivalent at end of the year (Cash and cash equivalent represents cash and bank balance)		2,829,540	1,230,737

For AND ON BEHALF OF THE BOARD

(RAMESH AGARWAL)
MANAGING DIRECTOR(PREM PRAKASH AGARWAL)
DIRECTOR**AUDITOR'S REPORT**

As per our report of even date attached

For **B.M. SHARMA & ASSOCIATES**
CHARTERED ACCOUNTANTS
(FIRM'S REGN. NO. - 007944N)PLACE : NEW DELHI
DATED : 31.05.2013(KULDEEP SHARMA)
PARTNER
Membership No.084073



SRU STEELS LIMITED

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

PROXY FORM

I/We _____ of _____
In the district of _____ being a member/members of **SRU STEELS LIMITED**, hereby
appoint _____ of _____
(or failing him/her) as my/us on my/our behalf as my proxy to vote for me/us at the Annual General meeting of
the Company to be held on 30th July 2013 at 10.30 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013

Note : The form in order to be effective should be duly stamped, complete and Must be deposited at the registered
office of the Company, not less than 48 hours before the meeting. Proxy need not to be a member of
the Company.

Affix Rs. 1/-
Revenue
Stamps

Regd. Folio No. _____ **DP ID No.** _____ **Client ID No.** _____
(For shareholders holding shares in physical form) (For shareholder holding shares in demat form)

Name _____

Jointly with (1) _____ (2) _____

Address _____

Signature of the proxyholder(s) _____	Attested by member(s)
(1) _____	(1) _____
(2) _____	(2) _____
(3) _____	(3) _____

-----Tear Here-----

SRU STEELS LIMITED

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

ATTENDANCE SLIP

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE)

I/We hereby record my presence at the **18th Annual General Meeting** being held at 416-417-432, Rajendra Jain
Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052 on 30th July 2013 at 10.30 A.M.

Full Name of Shareholder
(in Block Letters)

Signature of Shareholder

Full Name of Proxy
(in Block Letters)

Signature of Proxy

Notes : 1. Members/Proxy-holders are requested to bring the original Attendance Slip duly filled with them when
they come to the meeting venue and hand it over at the Registration Counter.

SRU

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