

19th
Annual Report
2013-2014



SRU STEELS
LIMITED





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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)
SMT. RICHA AGARWAL	(DIRECTOR)

CHIEF FINANCIAL OFFICER

MR. HITESH LAXMIKANT SOMANI

COMPANY SECRETARY & COMPLIANCE OFFICER

MS. SONAM SINGHAL

STATUTORY 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

Ground Floor Kalapurnam near Municipal Market CG Rd,
Ahmedabad-380009

KOTAK MAHINDRA BANK

Chandan House, Opp. Abhijit 3 Near Mithakali Six Rd,
Navrangpura Ahmedabad-380009

STATE BANK OF INDIA

Navrangpura Ahmedabad, Gujarat, PIN - 380009

REGISTRAR & SHARE TRANSFER AGENTS

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

REGISTERED OFFICE

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



SRU STEELS LIMITED

CIN: L17300DL1995PLC107286

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

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

Tel: 011-27474749

NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the members of **SRU STEELS LIMITED** will be held on **Monday 29th Day of September, 2014 at 11:00 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 Financial Statements of the Company for the year ended 31st March, 2014 including Audited Balance Sheet as at 31st March, 2014 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Kumar Garg (holding **DIN 00986846**), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint Statutory Auditors and to fix their remuneration and in this regard 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 Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s B.M. Sharma & Associates, Chartered Accountants, New Delhi (Firm Registration No. 007944N), be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the Fourth consecutive Annual General Meeting to be held in the year 2019 (subject to ratification of their appointment at each Annual General Meeting), at such remuneration to be decided by the Board of Directors in consultation with the Auditors.”

SPECIAL BUSINESS:

4. Appointment of Sh. Rajeev Mittal (DIN: 00082115) as an independent Director

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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement (including any statutory modification or re-enactment or amendments thereof for the time being in force) read with Schedule IV to the Act, as amended from time to time Mr. Rajeev Mittal, (DIN 00082115), a non-executive Director of the Company, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of September 29, 2014 up to September 28, 2019, whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

5. Appointment of Sh. Prem Prakash Agarwal (DIN: 00081871) as an independent Director

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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement (including any statutory modification or re-enactment or amendments thereof for the time being in force) , read with Schedule IV to the Act, as amended from time to time, Mr. Prem Prakash Agarwal, (DIN 00081871), a non-executive Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of September 29, 2014 up to September 28, 2019 ,whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

6. Appointment of Sh. Pankaj Jain (DIN: 01234804) as an independent Director

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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement (including any statutory modification or re-enactment or amendments thereof for the time being in force) , read with Schedule IV to the Act, as amended from time to time, Mr. Pankaj Jain, (DIN 01234804), a non-executive Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of September 29, 2014 up to September 28, 2019 ,whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

7. Appointment of Sh. Ashok Kumar Mahawar (DIN: 02600539) as an independent Director

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 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of Listing Agreement (including any statutory modification or re-enactment or amendments thereof for the time being in force) , read with Schedule IV to the Act, as amended from time to time, Mr. Ashok Kumar Mahawar, (DIN 02600539), a non-executive Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to the conclusion of September 29, 2014 up to September 28, 2019,whose office shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose

of giving effect to this resolution.”

8. **Appointment of Ms. Richa Agarwal (DIN: 00082722) as a Director, liable to retire by rotation.**

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

“**RESOLVED THAT** Ms. Richa Agarwal (DIN: 00082722), who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company in the category of Non-Executive & Non Independent director with effect from June 23,2014 and who holds the office only up to the date of the ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Ms. Richa Agarwal for the office of Director be and is hereby appointed as a director of the Company liable to retire by rotation.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

9. **Borrowing Limits of the Company**

To Consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180(1)(c) and other applicable provisions (if any) of the Companies Act, 2013 the consent of the Company be and is hereby accorded, for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) may in its discretion think fit, not withstanding, that the money or monies to be borrowed by the Company (apart from the Temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the money already borrowed, may exceed the aggregate of the Paid-up share Capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose(s), provided however that the money or monies to be borrowed by the Company together with the money already borrowed shall not, at any time exceed Rs. 200 Crores (Rupees Two Hundred Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any committee thereof be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreement as may be required and to do all acts, deeds, matters and things, as it may at its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise.”

10. **Create charge/mortgage/hypothecation on the Company's property to secure the financial assistance availed/ to be availed by the Company:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the consent of the of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to create such Charges, Mortgages and Hypothecations in addition to the existing charges, mortgages and hypothecations (if any) created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, together with power to take over the management and concern of the Company in certain events in favour of Banks/Financial Institutions and other investing agencies to secure Rupee/foreign currency Loans and Working capital facilities availed or proposed to be availed by the Company,

provided that the total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company in respect of the said Loans, shall not, at any time exceed the limit of Rs. 200 Crores (Rupees Two Hundred Crores only).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any committee thereof be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreement as may be required and to do all acts, deeds, matters and things, as it may at its absolute discretion deem necessary, proper and desirable and to settle any question, difficulty or doubt that may arise.”

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

**Place: New Delhi
Date: August 12, 2014**

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

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/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. An Explanatory Statement pursuant to Section 102(2) of the Companies Act, 2013, which sets out details relating to the Special Business at the meeting, is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, September 24, 2014 to Monday September 29, 2014 (both days inclusive).
4. 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 Beetal House, 3rd 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.
5. Members/Proxies should bring the Attendance Slip duly filled in for attending the meeting.
6. In terms of Section-149 of the Companies Act, 2013, the provisions of retirement by rotation are not applicable to independent directors. Therefore Sh. Naresh Kumar Garg, Director, retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.
7. 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.
8. 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.
9. Brief resume of the Directors including those 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



SRU Steels Limited

Directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is annexed hereto and forms part of this Notice.

10. 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.
11. 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.
12. The Notice of the AGM and Attendance Slip is being sent in electronic mode to members whose e-mail IDs are registered with the Company or the Depository Participant(s) unless the members have registered a request for a hard copy of the same. Physical copy of the Notice of AGM and Attendance Slip is being sent to those members who have not registered their e-mail IDs with the Company or Depository Participant(s).
13. In compliance to Section 108 of the Companies Act, 2013, read with the Companies (Management & Administration) Rules, 2014 and revised Clause 35B of the Listing Agreement, the Company is pleased to provide the facility to members to exercise their right to vote by electronic means. The Company has fixed August 22, 2014 as a cut-off date to record the entitlement of the shareholders to cast their vote electronically at the 19th Annual General Meeting (AGM) by electronic means under the Companies Act, 2013 and the rules made thereunder read with Clause 35B of the Listing Agreement. Consequently, the same cut-off date i.e. August 22, 2014 would record entitlement of the shareholders, who do not cast their vote electronically, to cast their vote at the 19th AGM on September 29, 2014.
14. The e-voting period shall commence at 9:00 a.m. on Tuesday, September 23, 2014 and will end at 6:00 p.m. on Thursday, September 25, 2014. The Company has appointed M/s. Avinash Pandey & Associates, Practicing Company Secretaries to act as the Scrutinizer, for scrutiny of the votes cast. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter:
15. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9:30 am to 6:00 pm) on all working days except Saturdays and Sundays (including Public Holidays) up to the date of the Annual General Meeting.

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

**Place: New Delhi
Date: August 12, 2014**

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

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013****Item No.4**

Sh. Rajeev Mittal (DIN: 00082115) has been Independent Director of the company since 2001. With the enactment of the Companies Act, 2013, it is now incumbent upon every listed company to appoint Independent directors in terms of Section 149 of the Companies Act, 2013, and Clause 49 of the Listing Agreement, as amended from time to time. The Board of Directors of the Company, after reviewing the provisions of the Act, Rules made thereunder and Listing Agreement is of the opinion that, Sh. Rajeev Mittal fulfills the conditions specified in the Listing Agreement, Act and Rules made thereunder and is independent of the management and is eligible to be appointed as an Independent Director of the company.

Notice pursuant to Section 160 of the Companies Act, 2013, in writing alongwith a deposit of requisite amount of Rs.1,00,000/- has been received from a member proposing the candidature of Sh. Rajeev Mittal for the office of the Independent Director of the Company.

The Company has received a declaration from Sh. Rajeev Mittal to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, alongwith a consent in writing to act as Director in Form DIR-2 prescribed under the Rules 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The resolution seeks approval of the members in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, for appointment of Sh. Rajeev Mittal as an Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019. He is not liable to retire by rotation.

Brief resume of Sh. Rajeev Mittal, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, his shareholding in the Company, relationships amongst Directors inter-se as stipulated under Clause 49 of the Listing Agreement, is provided alongwith the notice.

The Nomination and Remuneration Committee has recommended the appointment of Sh. Rajeev Mittal as Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019.

A copy of the draft letter for the appointment of Sh. Rajeev Mittal as Independent Director setting out the terms and conditions, alongwith all other documents relating to his appointment is available for inspection, without any fee, by the members at the Company's Registered Office during the normal business hours on all working days upto the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolutions as set out in Item No. 4 of the Notice, except Sh. Rajeev Mittal.

This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sh. Rajeev Mittal.

Accordingly, the Board recommends the Ordinary Resolution as set out at Item no. 4 of this notice for approval of the members of the Company.

Item No.5

Sh. Prem Prakash Agarwal (DIN: 00081871) has been Independent Director of the company since 2007. With the enactment of the Companies Act, 2013, it is now incumbent upon every listed company to appoint Independent directors in terms of Section 149 of the Companies Act, 2013, and Clause 49 of the Listing Agreement, as amended from time to time. The Board of Directors of the Company, after

reviewing the provisions of the Act, Rules made thereunder and Listing Agreement is of the opinion that, Sh. Prem Prakash Agarwal fulfills the conditions specified in the Listing Agreement, Act and Rules made thereunder and is independent of the management and is eligible to be appointed as an Independent Director of the company.

Notice pursuant to Section 160 of the Companies Act, 2013, in writing alongwith a deposit of requisite amount of Rs.1,00,000/- has been received from a member proposing the candidature of Sh. Prem Prakash Agarwal for the office of the Independent Director of the Company.

The Company has received a declaration from Sh. Prem Prakash Agarwal to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, alongwith a consent in writing to act as Director in Form DIR-2 prescribed under the Rules 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The resolution seeks approval of the members in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, for appointment of Sh. Prem Prakash Agarwal as an Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019. He is not liable to retire by rotation.

Brief resume of Sh. Prem Prakash Agarwal, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, his shareholding in the Company, relationships amongst Directors inter-se as stipulated under Clause 49 of the Listing Agreement, is provided alongwith the notice.

The Nomination and Remuneration Committee has recommended the appointment of Sh. Prem Prakash Agarwal as Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019.

A copy of the draft letter for the appointment of Sh. Prem Prakash Agarwal as Independent Director setting out the terms and conditions, alongwith all other documents relating to his appointment is available for inspection, without any fee, by the members at the Company's Registered Office during the normal business hours on all working days upto the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolutions as set out in Item No. 5 of the Notice, except Sh. Prem Prakash Agarwal.

This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sh. Prem Prakash Agarwal.

Accordingly, the Board recommends the Ordinary Resolution as set out at Item no. 5 of this notice for approval of the members of the Company.

Item No.06

Sh. Pankaj Jain (DIN: 01234804) has been Independent Director of the company since 2007. With the enactment of the Companies Act, 2013, it is now incumbent upon every listed company to appoint Independent directors in terms of Section 149 of the Companies Act, 2013, and Clause 49 of the Listing Agreement, as amended from time to time. The Board of Directors of the Company, after reviewing the provisions of the Act, Rules made thereunder and Listing Agreement is of the opinion that, Sh. Pankaj Jain fulfills the conditions specified in the Listing Agreement, Act and Rules made thereunder and is independent of the management and is eligible to be appointed as an Independent Director of the company.

Notice pursuant to Section 160 of the Companies Act, 2013, in writing alongwith a deposit of requisite amount of Rs.1,00,000/- has been received from a member proposing the candidature of Sh. Pankaj Jain for the office of the Independent Director of the Company.

The Company has received a declaration from Sh. Pankaj Jain to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, alongwith a consent in



writing to act as Director in Form DIR-2 prescribed under the Rules 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The resolution seeks approval of the members in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, for appointment of Sh. Pankaj Jain as an Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019. He is not liable to retire by rotation.

Brief resume of Sh. Pankaj Jain, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, his shareholding in the Company, relationships amongst Directors inter-se as stipulated under Clause 49 of the Listing Agreement, is provided alongwith the notice.

The Nomination and Remuneration Committee has recommended the appointment of Sh. Pankaj Jain as Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019.

A copy of the draft letter for the appointment of Sh. Pankaj Jain as Independent Director setting out the terms and conditions, alongwith all other documents relating to his appointment is available for inspection, without any fee, by the members at the Company's Registered Office during the normal business hours on all working days upto the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolutions as set out in Item No. 6 of the Notice, except Sh. Pankaj Jain.

This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sh. Pankaj Jain.

Accordingly, the Board recommends the Ordinary Resolution as set out at Item no. 6 of this notice for approval of the members of the Company.

Item No.07

Sh. Ashok Kumar Mahawar (DIN: 02600539) has been Independent Director of the company since 2009. With the enactment of the Companies Act, 2013, it is now incumbent upon every listed company to appoint Independent directors in terms of Section 149 of the Companies Act, 2013, and Clause 49 of the Listing Agreement, as amended from time to time. The Board of Directors of the Company, after reviewing the provisions of the Act, Rules made thereunder and Listing Agreement is of the opinion that, Sh. Ashok Kumar Mahawar fulfills the conditions specified in the Listing Agreement, Act and Rules made thereunder and is independent of the management and is eligible to be appointed as an Independent Director of the company.

Notice pursuant to Section 160 of the Companies Act, 2013, in writing alongwith a deposit of requisite amount of Rs.1,00,000/- has been received from a member proposing the candidature of Sh. Ashok Kumar Mahawar for the office of the Independent Director of the Company.

The Company has received a declaration from Sh. Ashok Kumar Mahawar to the effect that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013, alongwith a consent in writing to act as Director in Form DIR-2 prescribed under the Rules 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

The resolution seeks approval of the members in terms of provisions of Section 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, for appointment of Sh. Ashok Kumar Mahawar as an Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019. He is not liable to retire by rotation.

Brief resume of Sh. Ashok Kumar Mahawar, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/chairmanships of Board Committees, his shareholding in the Company, relationships amongst Directors inter-se as stipulated

under Clause 49 of the Listing Agreement, is provided alongwith the notice.

The Nomination and Remuneration Committee has recommended the appointment of Sh. Ashok Kumar Mahawar as Independent Directors for five (5) consecutive years commencing from 29th September, 2014 to 28th September, 2019.

A copy of the draft letter for the appointment of Sh. Ashok Kumar Mahawar as Independent Director setting out the terms and conditions, alongwith all other documents relating to his appointment is available for inspection, without any fee, by the members at the Company's Registered Office during the normal business hours on all working days upto the date of the Annual General Meeting.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in the proposed Ordinary Resolutions as set out in Item No. 7 of the Notice, except Sh. Ashok Kumar Mahawar.

This explanatory statement may also be regarded as disclosure under Clause 49 of the Listing Agreement.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sh. Ashok Kumar Mahawar.

Accordingly, the Board recommends the Ordinary Resolution as set out at Item no. 7 of this notice for approval of the members of the Company.

Item No.8

As per the provisions of Section 149(1) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement as amended from time to time that every Listed Company should have atleast one woman director. Keeping in view the above legal requirements and in deference to Company's shareholder's wishes, the Board of Directors have proposed that Mrs. Richa Agarwal be appointed as a Director of the Company.

The Company has received a notice in writing from a member along with the deposit of Rs. 1,00,000/- under Section 160 of the Act proposing the candidature of Mrs. Richa Agarwal for the office of Director of the Company. Mrs. Richa Agarwal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent in writing to act as Director in Form DIR-2 prescribed under the Rules 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to act as a Director.

None of the Directors/Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, except Mrs. Richa Agarwal in the ordinary Resolution set out at Item No. 08 of the Notice.

The Board recommends the ordinary Resolution set out at Item No. 08 of the Notice for approval by the members.

Item No.9

Section 180 of the Companies Act, 2013 ('The Act') was notified on September 12, 2013 under the said section the powers of the Board are required to be exercise only with the consent of the Company by way of Special Resolution.

Ministry of Corporate Affairs (MCA) vide General Circular No. 4/2014 dtd. 25th March, 2014, clarified that the Ordinary Resolution passed under section 293(1)(d) of the Companies Act, 1956 would be sufficient compliance of section 180 of the Act until September 11, 2014.

Hence, it is necessary that a sanction is sought from the members of the Company by a special resolution which now will be governed by Section 180(1)(c) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force). Accordingly, it is proposed to seek approval of members to authorize Board of Directors to borrow money for an amount not exceeding Rs.200 Crores.

None of the Directors/Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 09 of the Notice.



The Board recommends the Special Resolution set out at Item No. 09 of the Notice for approval by the members.

Item No.10

Section 180 of the Companies Act, 2013 ('The Act') was notified on September 12, 2013, under the said section the powers of the Board are required to be exercise only with the consent of the Company by way of Special Resolution.

Ministry of Corporate Affairs (MCA) vide General Circular No. 4/2014 dtd. 25th March, 2014, clarified that the Ordinary Resolution passed under section 293(1)(a) of the Companies Act, 1956 would be sufficient compliance of section 180 of the Act until September 11, 2014.

Hence, it is necessary that a sanction is sought from the members of the Company by a special resolution which now will be governed by Section 180(1)(a) of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force). Accordingly, it is proposed to seek approval of members to authorize Board of Directors for creating mortgage and/or charge and as such the resolution as set out in item No. 10 is proposed to be passed by way of special resolution for an amount not exceeding Rs. 200 crores.

None of the Directors/Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 10 of the Notice.

The Board recommends the Special Resolution set out at Item No.10 of the Notice for approval by the members.

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

Sd/-

**Ramesh Agarwal
Managing Director
Din: 00151223**

Place: New Delhi

Date: August 12, 2014



ANNEXURE TO ITEMS 4,5,6,7 & 8 OF THE NOTICE

Relevant details, in terms of Clause 49 of the Listing Agreement, in respect of the Directors proposed for appointment/re-appointment at this Annual General Meeting are as follows:

Name of the Director	Sh. Rajeev Mittal	Sh. Prem Prakash Agarwal	Sh. Pankaj Jain	Sh. Ashok Kumar Mahawar	Smt. Richa Agarwal
Date of Birth	26/11/1966	05/05/1958	04/09/1974	31/03/1958	27/06/1985
Nationality	Indian	Indian	Indian	Indian	Indian
Date of appointment on the Board	30/06/2001	01/01/2007	01/01/2007	01/05/2009	23/06/2014
Qualifications	Graduate	Higher secondary	Graduate	Graduate	Graduate
Expertise in Specific Functional Area	He has a very rich experience in steel industry and economics and industrialization	He has a very rich experience in Accounts and steels trading from last 30 years	He has a very vast experience in the field of steels industry relating to steel manufacturing and trading	He has 30 years of experience of field of Finance and accounting and a very vast knowledge of the steel industry	She has a very good experience in the field of Interior Designing over past 5 year approx.
Number of shares held in the Company	NIL	3500	NIL	29000	NIL
List of Directorships held in other companies	NIL	4	2	NIL	2
Chairman/Member of the Committees of the Board of companies in which he is a Director	Audit Committee (SRU Steels Limited) Chairman	Nomination & Remuneration Committee: (SRU Steels Ltd.) Chairman Audit committee (SRU Steels Limited) Member Stakeholders Relationship Committee (SRU Steels Limited) Member	Nomination & Remuneration Committee: (SRU Steels Ltd.) Member Audit committee (SRU Steels Limited) Member Stakeholders Relationship Committee (SRU Steels Limited) Chairman	Nomination & Remuneration Committee: (SRU Steels Ltd.) Member	NIL
Relationship between Directors inter-se	No relation	No relation	No relation	No relation	No relation

The instructions for members for voting electronically are as under:-

- (i) The shareholders should log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>I 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.</p> <p>I 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. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>I 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.</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant SRUSTEELSLIMITED on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) 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.

- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) Note for Non-Individual Shareholders & Custodians:
 - I Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - I They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - I After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - I The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - I They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

General Instructions:

- (A) The voting period begins on September 23, 2014 at 09:00 A.M and ends on September 25, 2014 at 06:00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (B) Since the Company is required to provide members the facility to cast their vote by electronic means, the shareholders holding share either in physical form or in dematerialized form as on the cut-off date (record date) of August 22, 2014 and not casting their vote electronically, may only cast their vote at the Annual General Meeting.
- (C) Mr. Avinash Pandey, Practising Company Secretary (Membership No.28437) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (D) The Scrutinizer shall, within a period of three working days from the conclusion of the e-voting period, unlock the votes in the presence of at least two witnesses, not in the employment of the company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (E) The voting right of shareholders shall be in proportion to their shares of the paid-up share capital of the company as on August 22, 2014.
- (F) The Result declared along with the Scrutinizer's Report shall be placed on the Company's website www.srusteels.in and on the website of CDSL within two days of passing the resolutions at the 19th Annual General Meeting of the Company as on 29th September, 2014.
- (G) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com



DIRECTOR'S REPORTS

TO THE MEMBERS

Your Directors have pleasure in presenting the Nineteenth Annual report of the Company along with the Audited Accounts for the year ended **31st March 2014**.

FINANCIAL RESULTS:

PARTICULARS	(Rs. In Lakhs)	
	CURRENT YEAR (2013-2014)	PREVIOUS YEAR (2012-2013)
Profit before Depreciation	21.61	18.05
Less: Depreciation	3.73	4.80
Net Profit after Depreciation	17.88	13.25
APPROPRIATION		
Provision for Taxation	5.52	4.10
Balance Carried forward to Balance Sheet	12.36	9.15

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 2014.

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 is striving to improve the profitability of the Company.

DIRECTORS:

Your Company has received declarations from the Independent Directors Sh. Pankaj Jain, Sh. Prem Prakash Agarwal, Sh. Ashok Kumar Mahawar and Sh. Rajeev Mittal confirming that they meet the criteria of Independent Director as prescribed under Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2013 along with Clause 49 of the Listing Agreement with Stock Exchanges as amended from time to time.

None of the directors of your Company is disqualified under the provisions of Section 274(1)(g) of the Companies Act, 1956 and Section 164(2) (a)&(b) of Companies Act, 2013. Your Company has received requisite notices in writing from members proposing the Candidature of the Independent Directors for a term of five consecutive years, not liable to retire by rotation.

Mrs. Richa Agarwal who was appointed as additional directors of the company as on June 23, 2014 and whose term is expire in the ensuing Annual General Meeting is proposing her candidature as a director of the Company.

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 appoined M/s. Sumit Dhawan & Associates, Company Secretaries in practice to issue compliance certificate for financial year ended 31st March 2014.

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.

AUDITORS & AUDITOR'S REPORT:

M/s B.M. Sharma & Associates, Chartered Accountants, New Delhi, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company receive a Certificate from them to the effect the re-appointment, if made, would be within the limits prescribed under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such re-appointment.

The Notes on Financial Statements referred to in the Auditor Report are self-explanatory and, therefore, do not call for further clarification.

CORPORATE GOVERNANCE REPORT

A detailed report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, along with an Auditors' Certificate on compliance with the conditions of Corporate Governance, is annexed to this report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year 2013-14, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges is given as a Separate Statement in the Annual Report.

CEO AND CFO CERTIFICATE

Pursuant to Clause 49 of Listing Agreement the CEO and CFO certificate is attached with the Annual Report. The Managing Director and CFO also provide quarterly certificate on financial results while placing the financial results before the board in terms of Clause 41 of Listing Agreement.

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Code of Conduct is posted on the Company's website. The Managing Director and CFO of the Company has given a declaration that all Directors and Senior Management Personnel concerned affirmed compliance with the code of conduct with reference to the year ended on March 31, 2014. Declaration is attached with the Annual Report.

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 earnings and Outgo:** There has been no foreign exchange earnings and outflow during the year.

VIGIL MECHANISM:

In pursuant to the provisions of section 117 (9) & (10) of the Companies Act, 2013, a vigil mechanism for directors and employees to report genuine concerns has been established.

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.

- a) All the applicable accounting standards have been followed in the preparation of the accompanying accounts.
- b) 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



SRU Steels Limited

the state of affairs of the Company at the end of the financial year on 31st March 2014 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 Act 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 for the year ended 31st March, 2014 on a going concern basis.

ACKNOWLEDGEMENT:

Relationship with Shareholders, Bankers, 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.

We also acknowledge with appreciation the devoted services rendered by the workers, staff and executives at all levels of Company.

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

**Date: August 12, 2014
Place: New Delhi**

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

**Sd/-
Naresh Garg
Director
DIN: 00986846**

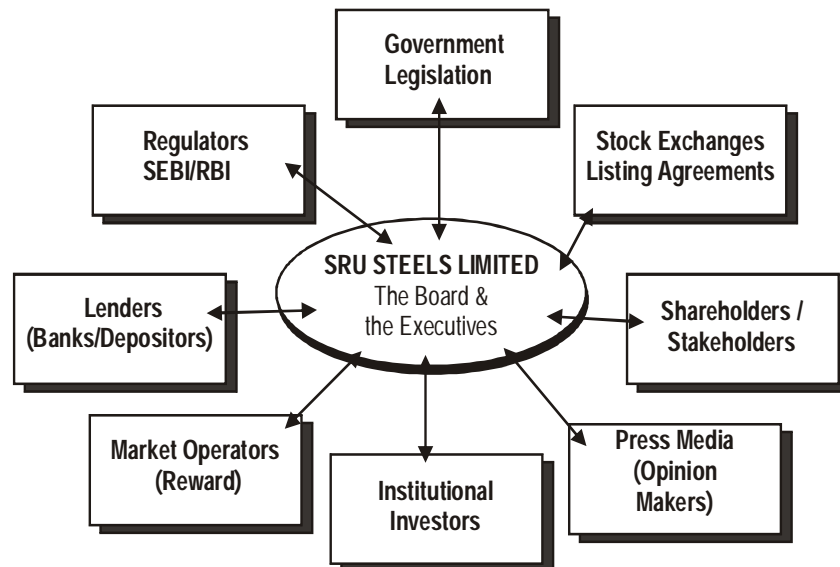
Corporate Governance Report (In compliance with Clause 49 of Listing Agreement)

MANADATORY REQUIREMENTS

1. THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

SRU Steels Limited has always been guided by the principle of satisfying the spirit of law beyond the letter of the law by maintaining transparency, accountability and integrity in the firm belief that the management is the trustee of the shareholder's capital and not the owner. SRU Steels Limited strongly believes in the policy of simple and transparent corporate structure driven solely by the business needs. SRU Steels Limited believes that the Board of Directors is accountable to the shareholders and the management is accountable to the Board of Directors, which provides an impetus to performance and improves effectiveness, thereby enhancing shareholder's value. The Company also believes that the freedom of management should be exercised within a framework of appropriate checks and balances which are prevented by exercising proper control to avoid misuse of power and facilitate timely management response to change.

A conceptual framework of Corporate Governance operating in your Company is depicted as follows:



In so far as the compliances of Clause 49 of the Listing Agreement with the Stock Exchanges are concerned, your Company is in full compliance with the compliances and disclosures that have to be made. The detailed compliance of Clause 49 is as follows:

2. Board of Directors.

The present strength of the Board is Seven Directors, Out of them one is Managing Director and two are non-executive director and the other Directors are Non- Executive Independent Directors.

S.No.	Name of Director	Category	No. of Directorship in other Companies	No. of committees in which Director is a Member	No. of committees in which Director is Chairman
1.	Sh. Ramesh Aggarwal	Managing Director	3	1	Nil
2.	Sh. Naresh Kumar Garg	Non- Executive Director	Nil	1	Nil
3.	Sh. Rajeev Mittal	Independent Director	Nil	1	1
4.	Sh. Prem Prakash Agarwal	Independent Director	2	3	1
5.	Sh. Pankaj Jain	Independent Director	2	3	1
6.	Sh. Ashok Kumar Mahawar	Independent Director	Nil	Nil	Nil
7.	Smt. Richa Agarwal	Non- Executive Director	2	Nil	Nil

Total Number of Board meeting held with dates

7 Board meetings were held during the year 2013-2014 i.e. on 30th May, 2013, 31st May, 2013, 1st July, 2013, 14th August, 2013, 13th November, 2013, 13th February, 2014 and 31st March, 2014.

Attendance details of each Director at the Board meetings and the last A.G.M.

S.No.	Name of Director	Attendances		Inter se relationship with other directors
		Board Meeting	Annual General Meeting	
1.	Sh. Ramesh Aggarwal	7	Yes	N.A.
2.	Sh. Naresh Kumar Garg	6	Yes	N.A.
3.	Sh. Rajeev Mittal	7	Yes	N.A.
4.	Sh. Prem Prakash Agarwal	7	Yes	N.A.
5.	Sh. Pankaj Jain	6	Yes	N.A.
6.	Sh. Ashok Kumar Mahawar	5	Yes	N.A.

Note: During the year, the maximum time gap between two meetings does not exceed more than 4 Months.

3. Audit Committee

Pursuant to the provisions of Section 292A of Companies Act, 1956 and Clause 49 of the Listing Agreement, Company have a duly qualified and independent Audit Committee.

The Audit Committee comprises 3 Directors, all are non-executive independent Directors. The company is chaired by Mr. Rajeev Mittal. The Managing director, Statutory Auditors and the CFO are permanent invitees to the meetings of the committee.

The terms of reference of the Audit Committee is in consistency with the Listing Agreement and other statutory requirements, the gist of terms of reference is as follows:

1. The Audit Committee has power, to investigate any activity, seek information from any employee and to obtain outside legal or other professional advice when ever consider fit and proper by the Committee.
2. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. Recommending the Board, regarding the appointment, re-appointment, the replacement and removal of the statutory auditor, along with fixation of audit fees and other payments payable to Auditor for other services rendered by him.
4. Reviewing, with the management, the quarterly financial statements, annual financial statements

before submission to the Board for approval.

5. Reviewing, with the management and performance of statutory auditors, and adequacy of the internal control systems including staffing and seniority of the official heading the department, reporting structure coverage.
6. The Audit Committee is empowered to review the Management Discussion and Analysis of financial condition and results of operations, statement of significant related party transactions, submitted by management, internal audit reports relating to internal control weaknesses etc.

Meeting and attendance during the year

4 meetings of the Audit Committee were held during the year 2013-2014 i.e. on 30th May 2013, 14th August 2013, 13th November 2013 and 13th February, 2014.

S.No.	Name of Director	Category	Attendance
1.	Sh. Rajeev Mittal	Independent Non-Executive Director	4
2.	Sh. Prem Prakash Agarwal	Independent Non-Executive Director	4
3.	Sh. Pankaj Jain	Independent Non-Executive Director	2

Notes:

- (a) During the year, the time gap between two meetings doesn't exceed by more than four months, with adequate quorum in every meeting.
- (b) The Chairman of the Audit Committee was present in Annual General Meeting to answer the queries of Shareholders.
- (c) Company Secretary of the Company acts as the Secretary of Committee.

4. Nomination & Remuneration Committee (Formerly known as 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 nomination and remuneration committee during the financial year ended 31st March 2014.

b) 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: SITTING 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 Prakash Agarwal	Nil	Nil	Nil	Nil	Nil
Ms. Pankaj Jain	Nil	Nil	Nil	Nil	Nil
Mr. Naresh Kumar Garg	Nil	Nil	Nil	Nil	Nil
Mr. Rajeev Mittal	Nil	Nil	Nil	Nil	Nil
Mr. Ashok Kumar Mahawar	Nil	Nil	Nil	Nil	Nil
Total	Nil	Nil	3,00,000	Nil	3,00,000

5. Shareholders & Investors Grievance Committee (Formerly known as Investors' Grievance Committee):

- (i) The company has constituted a Shareholder's & Investors Grievance Committee headed by Mr. Pankaj Jain, Non- Executive Director to specifically look into redressal of Shareholder's/ Investor's complaints. Mr. Ramesh Agarwal and Mr. Prem Prakash Agarwal are the other members of this committee.

- (ii) No. of shareholder's complaints received during the year. : Nil
 No. of complaints not solved to the satisfaction of the Shareholders : Nil
 No. of pending complaints. : Nil
- (iii) Compliance Officer
 1. Name : Sonam Singhal
 2. Designation : Company Secretary & Compliance Officer
 3. Contact : srusteels@yahoo.in

5. General Body Meetings

Year	Day, Date and Time	Venue	Details of Special Resolution passed
2010-11	16th AGM held on 30/09/2011 At 10.30 A.M	416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052	Nil
2011-12	17 th AGM held on 28/09/2012 At 10.30 A.M	416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052	Nil
2012-13	18th AGM held on 30/07/2013 At 10.30 A.M	416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052	Nil

Postal Ballot:

Section 192A of the Companies Act, 1956, provides for the passing of certain resolutions only by way of Postal Ballot. The Company shall comply with the requirement of Postal Ballot for any such resolutions. However, no such resolution was passed during the year.

7. DISCLOSURES
(a) Disclosures of Related Party Transactions

There are no related party transactions of the company of material nature, with promoters, the Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

(b) Disclosure regarding appointment/re-appointment of directors

Pursuant to the requirements of the listing agreement, the information required to be given in case of appointment/re-appointment of director(s) is given in the annexure appended with the Notice for the ensuing Annual General Meeting.

(c) Vigil Mechanism

The model Vigil mechanism policy as recommended by the Audit Committee has been adopted by the Board of Directors of the Company. The policy provides adequate safeguards against victimization of employees and also provides for access to the Audit Committee. It is affirmed that no personnel has been denied access to the Audit Committee.

(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 the requirements of the Stock Exchange/SEBI/any Statutory Authority on all matters related to capital markets during the last three years. There are no penalties of strictures imposed on the Company by Stock Exchange or SEBI or any statutory authorities relating to the above.

(f) Code for Prevention of Insider Trading Practices

In compliance with the 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 code has been displayed on the company's website also.

(g) Risk Management

The Company has adopted a Risk Management Policy. It has laid down 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.

(h) 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, as per Clause 49 (IV) (B) of the Listing Agreement.

(i) Proceeds from the public issue/rights issue/preferential issues etc.

There was no public issue/ right issue/preferential issue etc. during the financial year 2013-14.

(j) Code for Conduct

The Company has a well-defined policy framework which lays down procedures to be followed by the employees for ethical professional conduct. The code of conduct has been laid down for all the Board Members and Senior Management of the Company. The Board members and senior management personnel have affirmed compliance with the Company's code of conduct for the year 2013-14. The code has also been displayed on the Company's website.

8. MEANS OF COMMUNICATION

The Quarterly and Annual financial results and notices of the Company are published in:

- | Financial Express (English Language) and
- | Hari Bhoomi (Hindi Language).

Further results and other information are also displayed on the web site of Company www.srusteels.in

9. General Shareholder Information	
Annual General Meeting (Date, Time & Venue)	<i>19th Annual General Meeting:</i> Date: Monday, 29 th day of September 2014 Time: 11.00 A.M Venue: 416-417-432, RajendraJaina Tower-1, Plot No. 18, WazirPur Shopping complex, Delhi-110052
Financial Year	1 st April 2013 - 31 st March 2014
Date of Book Closure	September 24, 2014 to September 29, 2014 (Both days inclusive)
Dividend Record (Last three years)	Financial Year 2010-11 NIL Financial Year 2011-12 NIL Financial Year 2012-13 NIL
Listing on Stock Exchanges	Shares of the Company are listed on the Delhi Stock Exchange, Ahmedabad Stock Exchange Association Limited and Ludhiana Stock Exchange.
ISIN No.	INE425C01017
Financial Calendar 2014-15 (Tentative & Subject to Change)	1. First Quarter results – 12th August, 2014. 2. Second Quarter results – 2nd week of November, 2014. 3. Third Quarter results – 2nd week of February 2015. 4. Audited yearly results for the year ended March 31, 2015 - Last week of May, 2015
Registrar & Transfer Agents (both for Electronic & Physical Segment)	Beetal Financial & Computer Services (P) Ltd 3rd Floor, 99 Madangir, BH-Local Shopping Complex Near Dada HarsukhdasMandir, New Delhi-110062
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 the Qualified Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL) and 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.



SRU Steels Limited

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>Distribution of Shareholding as on 31.03.2014:</i>				
	Range (in Shares)		No. of Shares	No. of	% of Total
	From	To	holders	Shares	
	1	5000	45	22500	0.62
	5001	10000	66	64200	1.76
	10001	20000	68	119900	3.30
	20001	30000	57	153900	4.24
	30001	40000	38	135100	3.72
	40001	50000	7	34500	0.95
	50001	100000	27	247300	6.81
	100001	And above	47	2850000	78.56
		Total	355	3627400	100.00
	<i>(i) Dematerialization of Shares</i>				
	Particular		Number of Shares	Percentage (%)	
	Dematerialization:				
	NSDL		18500	0.51	
	CDSL		0	0	
	Sub-Total:		18500	0.51	
	Physical:		3608900	99.49	
	Total:		3627400	100	
Outstanding GDRs	There are no outstanding GDRs/ ADRs/ Warrants or any other convertible instruments.				
Regd. Office	416-417-432, RajendraJaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052				
Address for Correspondence	416-417-432, RajendraJaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052				
Compliance Officer	Ms. Sonam Singhal (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.				

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.

10. Auditors' Certificate on Corporate Governance

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate is annexed and forms part of this Annual Report.

11. 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.

12. 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).

II- NON-MANDATORY REQUIREMENTS

Besides the mandatory requirements, the Company has complied with the following non-mandatory requirements stipulated under Clause 49 of the Listing Agreement:

- (a) **Shareholders' Rights:** The Company sends financial statements along with the Directors' Report and Auditors' Report to all the members of the Company. The quarterly, half yearly and annual results are published in the newspapers and are also posted on the Company's website.
- (b) **Training of the Board Members:** There are no formal training programmes for the Board Members. The Board member(s) participate in relevant conferences and Industry forums as a part of their training.
- (c) **Mechanism for evaluating Non-Executive Board Members:** The key parameters are contribution to the strategy for growth of the Company, setting directions for improvement in governance and participating in the relevant meetings on regular basis.

The above report has been placed before the Board at its meeting held on August 12, 2014 and the same was approved.

By the order of the Board
For SRU Steels Limited

Sd/-

Ramesh Agarwal
Managing Director
(DIN:00151223)

Place: New Delhi
Date: August 12, 2014



DECLARATION BY MANAGING DIRECTOR AND CFO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING COMPLIANCE OF CODE OF CONDUCT

To
The Member of
SRU Steels Limited

In accordance with Clause 49 (1)(D) of the Listing Agreement with Stock Exchanges, I hereby confirm that all the directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct , as applicable to them, for the financial year ended March 31, 2014.

Place: New Delhi
Date: 12.08.2014

Sd/-
For SRU Steels Limited
Ramesh Agarwal
Managing Director

Sd/-
For SRU Steels Limited
Hitesh Laxmikant Somani
Chief Financial Officer



CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

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 31st March, 2014 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 the 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 12, 2014
Place: New Delhi

Sd/-
Ramesh Agarwal
Managing director and CEO

Sd/-
Hitesh Laxmikant Somani
CFO



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 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 ensuing compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

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

We state that such compliance is neither an assurance as to the future viability of the Company nor of 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: 29th May, 2014

Sd/-
(Kuldeep Sharma)
Partner
MNo. 084073

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

There was an increase in the revenue from operation of Rs. 13.98 Lacs, in current year; there was also an increase in other income from 1.92 lacs in the current year. The Company has earned a profit before tax amounting to Rs.17.88 Lac. 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 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.

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" within 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 2014, the Statement of Profit and Loss and Cash Flow Statement for the year 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 Act¹). 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 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 2014.
- 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, 2014 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31st March, 2014 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)**

**Sd/-
(Kuldeep Sharma)
Partner
MNo. 084073**

**Place: New Delhi
Dated: 29.05.2014**

**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 physical 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, 1956, 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, 2014 for a period of more than six months from the date they become payable.

- (b) The disputed statutory dues aggregating to Rs. 4.22 lacs 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 relates	(₹) in lacs pending	Period which amount	Forum where dispute is
1	Income Tax Act, 1961	Income tax penalty	4.22	1998-99	Punjab & Haryana High Court

- (x) The Company has no accumulated losses as at 31st March 2014. 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)**

**Sd/-
(Kuldeep Sharma)
Partner
MNo. 084073**

**Place: New Delhi
Dated: 29.05.2014**



SRU Steels Limited

BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in ₹)

PARTICULARS	NOTE No.	Figures as at the end of current reporting period	Figures as at the end of previous reporting period
I Equity and Liabilities			
Share holders' funds			
(a) Share Capital	2.01	3,62,74,000	3,62,74,000
(b) Reserve & Surplus	2.02	1,09,66,607	97,30,259
Non Current Liabilities			
(a) Other Long Term Liabilities	2.03	-	3,85,752
Current liabilities			
(a) Trade Payable	2.04	1,48,99,275	-
(b) Other surrent liabilities	2.05	34,63,582	14,32,692
(c) Short Term Provisions	2.06	5,71,651	4,49,699
TOTAL		6,61,75,115	4,82,72,402
II Assets			
Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	2.07	12,29,337	14,59,907
(b) Deferred Tax Assets	2.08	1,54,071	1,35,123
(c) Long term Loans and advances	2.09	3,21,86,050	21,86,050
(d) Other Non Current Assets	2.10	33,060	66,120
Current assets			
(a) Trade receivable	2.11	2,82,18,256	3,25,46,193
(b) Cash and Cash Equivalent	2.12	3,39,572	27,65,384
(c) Short term Loan & Advances	2.13	9,72,209	78,27,784
(d) Other current assets	2.14	30,42,560	12,85,841
TOTAL		6,61,75,115	4,82,72,402
SIGNIFICANT ACCOUNTING POLICIES NOTES ON ACCOUNTS	1 & 2		

FOR & ON BEHALF OF THE BOARD

Sd/-
(RAMESH AGARWAL)
MANAGING DIRECTOR
DIN: 00151223

Sd/-
(PREM PRAKASH AGARWAL)
DIRECTOR
DIN: 00081871

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

PLACE : NEW DELHI
DATED : 29TH MAY 2014

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



SRU Steels Limited

STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2014 (Amount in ₹)

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	2.15	67,98,344	54,00,095
		-	-
Revenue from operations		67,98,344	54,00,095
II. Other Income	2.16	8,35,286	6,42,989
III. Total Revenue		76,33,630	60,43,084
IV Expenses:			
Employee benefits expenses	2.17	11,97,996	10,02,670
Finance Costs	2.17	8,753	-
Depreciation and amortisation expenses	2.17	3,73,490	4,80,104
Other expenses	2.17	42,64,540	32,35,619
Total expenses		58,44,779	47,18,393
V Profit before exceptional and extraordinary items and tax (III-IV)		17,88,851	13,24,691
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V-VI)		17,88,851	13,24,691
VIII Extra ordinary Items		-	-
IX Profit before tax (VII - VIII)		17,88,851	13,24,691
X. Tax Expenses			
Current tax		5,71,651	4,49,699
Deferred tax		(18,948)	(40,370)
XI Profit(Loss) for the period (XI + XIV)		12,36,148	9,15,362
XII Earning per equity shares:			
1) Basic		0.34	0.25
2) Diluted		0.34	0.25
Significant Accounting Policies & Notes on Accounts	1 & 2		

FOR & ON BEHALF OF THE BOARD

Sd/-
(RAMESH AGARWAL)
MANAGING DIRECTOR
DIN: 00151223

Sd/-
(PREM PRAKASH AGARWAL)
DIRECTOR
DIN: 00081871

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

PLACE : NEW DELHI
DATED : 29TH MAY 2014

Sd/-
(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 assets 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 realized 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 ACCOUNTS FOR THE YEAR ENDING MARCH 31, 2014
Amount in ₹

2.01 SHARE CAPITAL	31st March 2014	As At 31st March, 2013		
Authorised:				
Equity shares Rs. 10/- per value	8,50,00,000	8,50,00,000		
8500000 (8500000) equity shares	<u>8,50,00,000</u>	<u>8,50,00,000</u>		
Issued, Subscribed and Paid up				
Equity shares Rs. 10/- per value	3,62,74,000	3,62,74,000		
3627400 (3627400) equity shares	<u>3,62,74,000</u>	<u>3,62,74,000</u>		
- 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, 2014		As at March 31, 2013	
	Number of shares	Amount in ₹	Number of shares	Amount in ₹
Number of shares at the beginning	36,27,400	3,62,74,000	36,27,400	3,62,74,000
Add: shares issued--	--	--	--	--
Number of shares at the end	36,27,400	3,62,74,000	36,27,400	3,62,74,000



SRU Steels Limited

Particulars of persons holding more than 5% of equity shares as on March 31, 2014 and March 31, 2013 is as follows-

Particulars	% of Holding	As at March 31, 2014		As at March 31, 2013	
		Number of shares	Amount in ₹	Number of shares	Amount in ₹
M/s. M.M. Fiscal Services Pvt Ltd	42.65	15,47,000	1,54,70,000	15,47,000	1,54,70,000
		15,47,000	1,54,70,000	15,47,000	1,54,70,000

2.02 RESERVE AND SURPLUS (Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Capital Reserve:		
Forefeiture of unpaid share	61,55,500	61,55,500
General Reserve-opening balance	35,74,759	26,59,397
Add: Previous year Tax adjustment	200	
Add: Profit during the year	12,36,148	9,15,362
Surplus closing balance	<u>1,09,66,607</u>	<u>97,30,259</u>

2.03 OTHER LONG TERM LIABILITIES (Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Electrotherm (India) Limited	--	3,85,752
	--	<u>3,85,752</u>

2.04 TRADE PAYABLES (Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Jindal Stainless Limited	<u>1,48,99,275</u>	--
	<u>1,48,99,275</u>	--

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.

2.05 OTHER CURRENT LIABILITIES (Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Bank Overdraft		
Kotack mahindra Bank (OD)	18,41,347	(64,157)
Others		
Provision for expenses	-	33,644
Audit Fees Payable	67,416	58,708
RTA Charges	-	5,786
Internal Audit Fees	-	12,500
Directors Remuneration Payable	-	1,44,850
TDS Payable	14,927	1,22,396
Telephone Expenses Payable	5,824	1,958
Electric Charges Payable	6,440	6,621
Service tax payable	4,748	-
Car Exp Payable	29,785	-
Entry Tax Payable	14,69,095	-
Salary Payable	24,000	-
Commission payable	-	10,78,386
Rent Payable	-	32,000
	<u>34,63,582</u>	<u>14,32,692</u>

2.06 SHORT TERM PROVISION (Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Provision for Tax	<u>5,71,651</u>	<u>4,49,699</u>
	<u>5,71,651</u>	<u>4,49,699</u>

2.07 NON-CURRENT ASSETS
TANGIBLE ASSETS

(Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Tangible Assets	As per Annex-1 As per Annex-1	As per Annex-1 As per Annex-1

2.07 FIXED ASSETS

PARTICULARS	GROSS BLOCK			DEPRECIATION AND AMORTIZATION				NET BLOCK			
	%Age	As At 01/04/ 2013	Add/ adj in the year	Ded. during the year	As At 31/03/ 2014	As at 01/04/ 2013	For the year	Dep./Adj. dur. the year	As At 31/03/ 2014	As At 31/03/ 2014	As At 31/03/ 2013
TANGIBLE ASSETS:-											
COMPUTER	40.00	1,74,309	-	-	1,74,309	1,68,656	2,261	-	1,70,917	3,392	5,653
PHOTOCOPY	13.91	98,800	-	-	98,800	79,618	2,668	-	82,286	16,514	19,182
CAR	25.89	24,26,839	-	-	24,26,839	11,65,470	3,26,569	-	14,92,039	9,34,800	12,61,369
OFFICE PREMISES	5.00	1,02,236	-	-	1,02,236	46,994	2,762	-	49,756	52,480	55,242
MOTOR CYCLE	25.89	1,03,508	1,19,753	19,000	2,04,261	73,844	20,192	11,167	82,869	1,21,392	29,664
FURN. & FIXTURE	18.10	2,40,150	31,000	-	2,71,150	1,54,667	18,577	-	1,73,244	97,906	85,483
REFRIGERATOR	13.91	8,000	-	-	8,000	4,686	461	-	5,147	2,853	3,314
TOTAL		31,53,842	1,50,753	19,000	32,85,595	16,93,935	3,73,490	11,167	20,56,258	12,29,337	14,59,907
Previous year		3190487	8800	45445	3153842	12,57,718	4,78,981	45014	16,93,931	14,59,909	19,32,769

2.08 DEFERRED TAX ASSETS (Net)

(Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Opening balance	1,35,123	94,753
Adjustment during the year	18,948	40,370
	<u>1,54,071</u>	<u>1,35,123</u>

2.09 LONG TERM LOANS AND ADVANCES

(Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Associated Petroleum Corp.	20,000	20,000
Security deposits in SPIPL	20,00,000	20,00,000
National Saving certificates	3,000	3,000
SRM Alloys Pvt. Ltd.	1,63,050	1,63,050
Ashok Commercial Enterprises (Advance against option to purchase)	3,00,00,000	--
	<u>3,21,86,050</u>	<u>21,86,050</u>

Security deposit includes amount paid as security for office/godown premises.

National saving Certificates has been pledged with VAT department against registration.

Interest on NSC will be taken at the time of maturity

2.10 OTHER NON CURRENT ASSETS

(Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Miscellaneous expenditure (to the extent not written off or adjusted)		
Opening balance	66,120	99,180
Less: Written off during the year	<u>33,060</u>	<u>33,060</u>
	<u>33,060</u>	<u>66,120</u>

2.11 TRADE RECEIVABLES

(Amount in ₹)

PARTICULARS	As At 31st March 2014	As At 31st March 2013
Over six months		
Suri Rajendra Rolling Mills	80,00,000	1,16,36,586



SRU Steels Limited

Others		
Suri Rajendra Rolling Mills	-	1,83,63,414
Monika Udyog	18,37,483	-
Arihant Metals	44,88,885	-
Arihant Steel Industries	20,64,343	-
Mehta Alloys Ltd	38,07,955	-
Kad Udyog	18,36,566	-
Sarvotam Steels industries	19,15,718	-
Shayona Enterprises	19,26,323	-
Jindal Starline	23,40,983	25,46,193
	<u>2,82,18,256</u>	<u>3,25,46,193</u>
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 2014	As At 31st March 2013
Cash in hand	1,95,784	2,04,468
Balance with Banks		
In current accounts		
City Bank	99,333	25,00,330
Kotak Mhindra Bank	44,455	60,586
	<u>3,39,572</u>	<u>27,65,384</u>
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 2014	As At 31st March 2013
S & J Granulate Solution P Ltd	9,72,209	78,27,784
	<u>9,72,209</u>	<u>78,27,784</u>
2.14 OTHER CURRENT ASSETS (Amount in ₹)		
PARTICULARS	As At 31st March 2014	As At 31st March 2013
Prepaid Insurance	44,577	22,408
TDS on Commission	7,34,474	6,06,756
TDS on Interest	82,412	62,929
Input VAT	15,18,792	1,63,556
(Income Tax Refund)		
2004-05	378	378
2005-06	1,284	1,284
2009-10	1,74,640	1,74,640
2011-12	48,276	48,276
2012-13	2,05,614	2,05,614
2013-14	2,20,186	-
Other Recoverable	11,927	-
	<u>30,42,560</u>	<u>12,85,841</u>
2.15 INCOME FROM OPERATION (Amount in ₹)		
PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
Commission Received	67,98,344	54,00,095
	<u>67,98,344</u>	<u>54,00,095</u>
2.16 OTHER INCOME (Amount in ₹)		
PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
Interest received	8,24,119	6,29,274
Interest on Income tax refund		13,715
Profit on sale of bike	11,167	-
	<u>8,35,286</u>	<u>6,42,989</u>

(Amount in ₹)		
2.17 EXPENSES		
PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
EMPLOYEES BENEFIT EXPENSES		
Salary & wages	8,29,220	667,400
Bonus Exp	20,600	--
Remuneration to directoes	3,00,000	3,00,000
Staff Welfare Expenses	48,196	35,270
	<u>11,97,996</u>	<u>10,02,670</u>
FINANCIAL COST		
Bank Charges	550	--
Other	8,203	--
DEPRECIATION		
Depreciation and amortisation expense (As per Annex-1)	3,73,490	4,80,104
OTHER EXPENSES		
Loading charges	15,116	95,473
Travelling expenses	5,79,787	641,576
Advertisement Expenses	40,709	42,754
Business Promotion Exp.	30,605	75,665
Conveyance Expenses	48,602	49,302
Printing & Stationery	47,525	45,558
Postage & Stamps	26,505	25,000
General expenses	36,091	11,640
Telephone expenses	1,12,803	118,825
Auditor's Remuneration	67,416	58,708
Professional & legal charges	2,87,190	90,894
Computer expenses	--	21,008
Car running expenses	4,79,182	4,32,038
Scooter running expenses	57,800	42,392
Electricity charges	52,146	43,313
Professional tax	4,325	1,920
Rates & taxes	9,700	2,500
Insurance charges	29,643	70,387
AMC/MCD taxes	--	2,400
Rent Exp.	--	32,000
Listing Fees	28,090	11,236
Commission expense	20,60,334	1,198,207
RTA Charges	23,049	23,270
Misc exp Amortised	33,060	33,060
NSDL/CSDL expenses	24,360	24,753
Internal Audit fee	12,500	12,500
Meeting & AGM Exp.	33,005	29,240
Repair & maintances Exp.	1,20,249	--
Service Tax Fees	4,748	--
	<u>42,64,540</u>	<u>32,35,619</u>
2.18 CURRENT TAX		
(Amount in ₹)		
PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
Current Tax		
Income Tax	5,71,651	4,49,699
	<u>5,71,651</u>	<u>4,49,699</u>
2.19 EARNINGS PER SHARE		
PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
Profit attributable to the equity shareholders	12,36,148	9,15,362
Number of equity shares outstanding at the end of the year	36,27,400	36,27,400
Nominal value of equity share	10/-	10/-
Basic/ Diluted EPS	0.34	0.25



SRU Steels Limited

2.20 CONTINGENT LIABILITIES AND COMMITMENTS

(Amount in ₹)

PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
Contingent Liabilities Income Tax disputed Demand	4,22,000	4,22,000
	<u>4,22,000</u>	<u>4,22,000</u>

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.

2.21 PAYMENT TO AUDITORS

(Amount in ₹)

PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
Statutory Audit fee	67,416	58,708
	<u>67,416</u>	<u>58,708</u>

2.22 MANAGERIAL REMUNERATION

(Amount in ₹)

PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
For Remuneration	3,00,000	3,00,000
	<u>3,00,000</u>	<u>3,00,000</u>

2.23 EXPENDITURE/EARNINGS IN FOREIGN CURRENCY

(Amount in ₹)

PARTICULARS	For the Year Ending 31st March 2014	For the Year Ending 31st March 2013
Expenditure	--	--
Earning	--	--
	<u>--</u>	<u>--</u>

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 Scheme of arrangement under section 391 to 394 of companies act 1956 for merger of seven companies has been approved by the board of director of the company and merger petition has been filed with delhi high court for approval. The final result do not carry any effect of said merger.

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

Sd/-
(RAMESH AGARWAL)
MANAGING DIRECTOR
DIN: 00151223

Sd/-
(PREM PRAKASH AGARWAL)
DIRECTOR
DIN: 00081871

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

PLACE : NEW DELHI
DATED : 29TH MAY 2014

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in ₹)

A. Cash Flow From Operating Activities	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	
a) Net Profit after tax and extraordinary Items	12,17,200	8,74,992	
Add: Provision for taxation	5,71,651	4,49,699	
Depreciation	3,73,490	4,80,104	
Preliminary expenses amortised	33,060	33,060	
Previous Year Tax Adjustment	200		
Less: Profit on Sale of Fixed Assets	11,167	-	
b) Operating profit before working capital changes	21,84,434	18,37,855	
Adjustment for:			
(Increase)/Decrease in Trade Receivable	43,27,938	3,54,29,541	
(Increase)/Decrease in Loan and Advance	(3,00,00,000)	-	
(Increase)/Decrease in Short term Loan and Advance	68,55,575	(78,27,784)	
(Increase)/Decrease in Other Current Assets	(17,56,719)	(3,98,249)	
(Increase)/Decrease in Trade Payable	1,48,99,275	(2,49,04,068)	
(Increase)/Decrease in Other Current Liabilities	1,25,386	(23,65,387)	
(Increase)/Decrease in Other long term Liabilities	(3,85,752)	-	
(Increase)/Decrease in Current Provision	1,21,952	2,83,840	
c) Cash generated from operations	(36,27,911)	20,55,748	
Less: Income tax paid	5,71,651	4,49,699	
Net cash from operating activities		(41,99,562)	16,06,049
B Cash Flow from Investing Activities			
Purchase of fixed assets (Net)	(1,50,753)	(8,800)	
Sale of fixed assets (Net)	19,000	1,554	
Net cash from Investing Activities		(1,31,753)	(7,246)
C Cash Flow from Financing Activities		-	-
D Net Increase/(decrease) in Cash and Cash equivalent		(43,31,315)	15,98,803
Cash & Cash equivalent at beginning of the year		28,29,540	12,30,737
Cash & Cash equivalent at end of the year (Cash and cash equivalent represents cash and bank balance)		(15,01,775)	28,29,540

FOR & ON BEHALF OF THE BOARD

Sd/-
(RAMESH AGARWAL)
MANAGING DIRECTOR
DIN: 00151223

Sd/-
(PREM PRAKASH AGARWAL)
DIRECTOR
DIN: 00081871

AUDITOR'S REPORT
As per our report of even date
For **B.M. SHARMA & ASSOCIATES**
CHARTERED ACCOUNTANTS
(Firm's Regn. No. - 007944N)

PLACE : NEW DELHI
DATED : 29TH MAY 2014

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



SRU STEELS LIMITED

CIN: L17300DL 1995PLC107286

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

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :
Registered address :
E-mail id :
Folio No. / Client Id :
DP Id :

I/We, being the member(s) of shares of SRU Steels Limited, 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 : or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual general meeting of the company, to be held on Monday, the 29th Day of September, 2014 at 11.00 A.M. 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:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Table with 5 columns: S.No., Resolution, Type of Resolution, For, Against. Contains 10 rows of resolutions for the annual general meeting.

Signed this..... day of..... 2014

Signature of shareholder Signature of Proxy holder(s)

Notes:

(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) A Proxy need not be a member of the Company. (3) A person can act as a proxy on behalf of members not exceeding fifty 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 the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. ** (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate. (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes. (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



SRU Steels Limited



SRU STEELS LIMITED

CIN: L17300DL 1995PLC107286

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

ATTENDANCE SLIP

Member(s) or his/her/their proxy(ies) are requested to present this slip at the venue of the meeting for admission, duly signed in accordance with his/her/their specimen signature(s) registered with the Company.

		Name and Address	No. of Shares held
DP Id No.*			
Client Id No.*			
Regd. Folio No.			

*Applicable to members holding shares in electronic form

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of SRU STEELS LIMITED held on Monday, the 29th Day of September, 2014 at 11.00 A.M at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18 Wazirpur, Shopping Complex, Delhi-110052.

Please () in the box.

Member

Proxy

Name of the Proxy in Block Letters

Member's Signature

Proxy's Signature



SRU STEELS LIMITED

CIN: L17300DL 1995PLC107286

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

E-COMMUNICATION REGISTRATION FORM

*(As per circular nos. 17/2011 dated 21.04.2011 and
18/2011 dated 29.04.2011 issued by the Ministry of Corporate Affairs)*

Folio No./ DPID & Client ID :

Name of First Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/We, members of **SRU STEELS LIMITED**, agree to receive all communication from the Company in electronic mode. Please register my above-mentioned e-mail id in your records for sending communication through e-mail.

Date:

First Holder Signature

Notes:

1. On registration, all the communication will be sent to the e-mail id registered for the folio.
2. Members are requested to keep the Company/Depository Participants informed as and when there is any change in the e-mail address.



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

