



# SRU STEELS LIMITED

CIN:L17300DL1995PLC107286

Registered & Corporate Office : A-48, 1st Floor, Wazirpur Industrial Area, Delhi - 110 052

E-mail : [srusteels@yahoo.in](mailto:srusteels@yahoo.in), Website : [www.srusteels.in](http://www.srusteels.in) • Tel : 011-27474749

SRU/CS/2020-21/175

Dated: September 02, 2020

To  
The Manager,  
Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400001

**Ref: Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Submission of Annual Report for the financial year 2019-20 and Notice convening the 25<sup>th</sup> Annual General Meeting**

Dear Sir,

We hereby inform that the Twenty Fifth Annual General Meeting ('AGM') of the Company will be held on Wednesday, 30<sup>th</sup> September, 2020 at 02.30 P.M. IST through Video Conferencing or Other Audio Visual Means.

In pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for F.Y 2019-20 along with the Notice convening the 25<sup>th</sup> Annual General Meeting (AGM) of the Company.

In compliance with Ministry of Corporate Affairs Circular no 20/2020 dated 05 May, 2020 read with Circular no. 14/2020 dated 8 April, 2020 and Circular no 17/2020 dated 13 April, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Annual Report of the Company for FY 2019-20 and Notice of 25<sup>th</sup> AGM have been sent through email to all the Members who's Email Ids are registered with the Company/Depository Participant.

The Annual report and the Notice of AGM are also uploaded on the Company's website [http://srusteels.in/pdfs/2020\\_pdf/25\\_annual\\_report.pdf](http://srusteels.in/pdfs/2020_pdf/25_annual_report.pdf)

This is for your kind information and record please.

Thanking You,  
**For SRU Steels Limited**

**Shallu Garg**  
**Company Secretary & Compliance Officer**  
**Investor Email Id: [srusteels@yahoo.in](mailto:srusteels@yahoo.in)**  
**Encl: a/a**



**SRU STEELS LIMITED**

Setting Standard in Steel Profiles



# **ANNUAL REPORT** **2019-20**

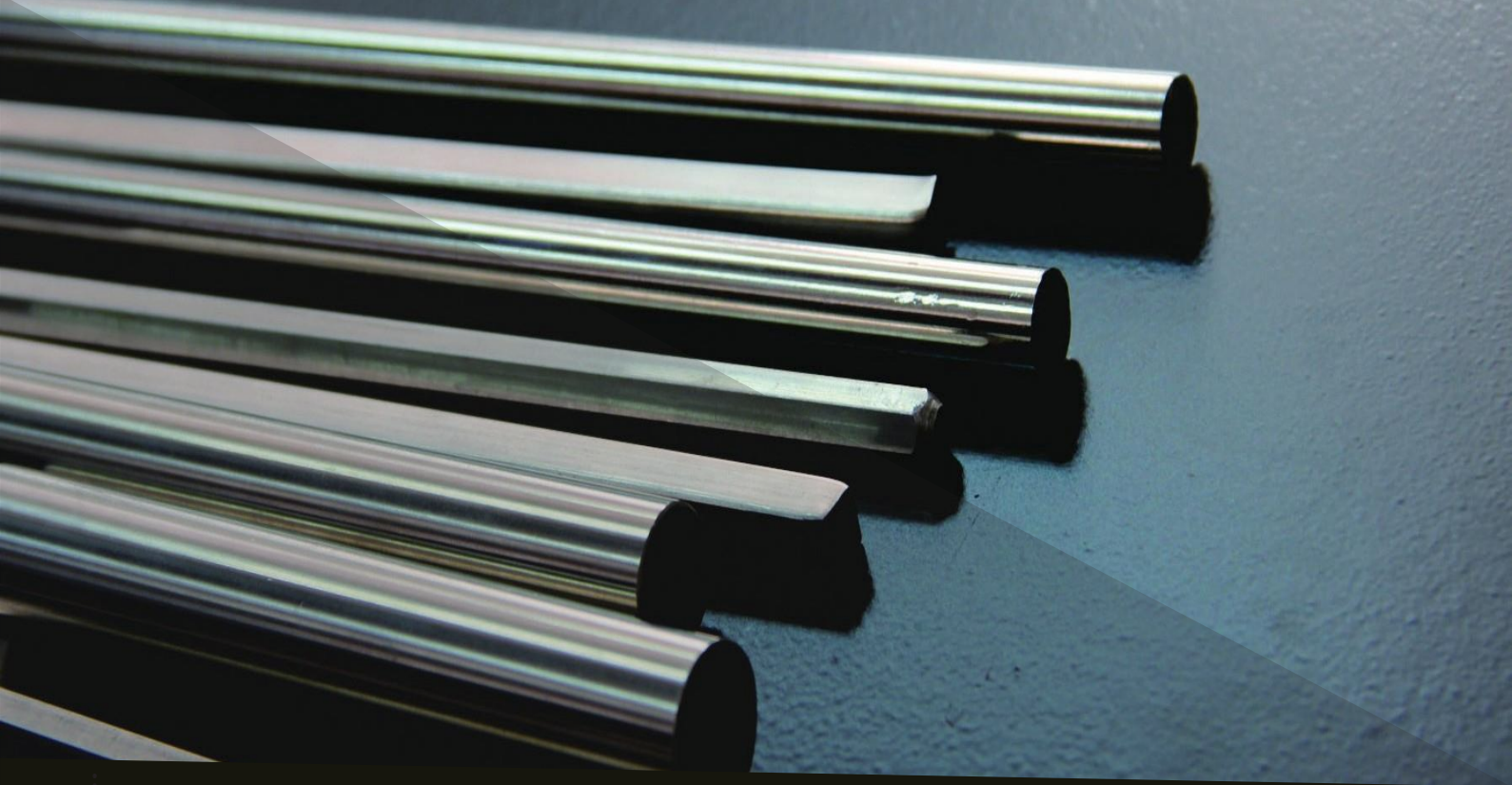
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25th Annual Report



## **INTRODUCTION**

The company operates in the single business segment of trading in various types of Iron and Steel. At present, the company is trading in various types of steel products as well as sale of steel products on commission basis. Further, in the anticipation of growing demand of steel and steel products in future due to the development of various infrastructure and housing projects Company is planning to add on the mode of distribution of products in the market via direct sale to the customer along with consignment sales.



## **Our Specialties in Stainless Steel are in the Categories of**

- SS Sheet
- SS PVC Coated Sheet
  - SS Designer Sheet
  - SS Checkered Sheet
- SS Plate SS Coils
- SS Pipe & Pipe Fittings SS Rod
- SS Angle SS Channel
- SS Round Table SS Flat
- Bar
- SS Flange
- SS Dairy Fittings & Valve

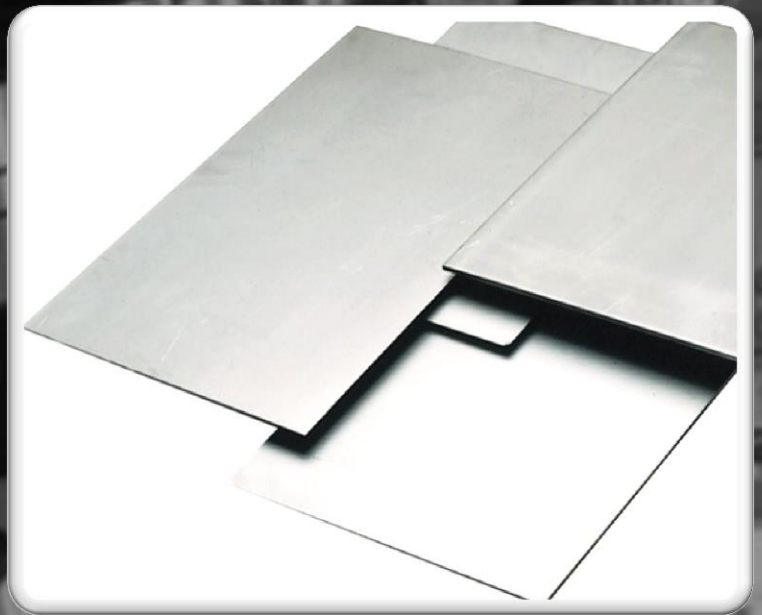
## OUR PRODCUTS

We are engaged in trading of stainless steel for number of 25 years and therefore we believe in delivering the best quality products to our customers. The quality of our products can be assured as the suppliers of the material used for production are Jindal Steel Limited (JSL) and Steel Authority of India Limited.

Our organization is a conspicuous provider of a comprehensive assortment of Stainless Steel Checkered Plates. Our products are appreciated and accepted in the market for their durability and outstanding quality. These products are highly used in various industries for many purposes. Our entire collection is available under the set norms and principles of the international market

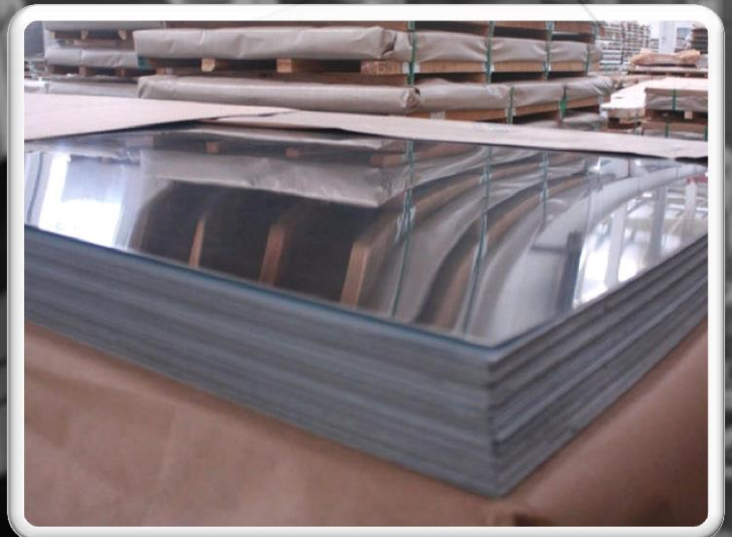
### SS Sheet

The Steel Sheet that we offer to our clients is manufactured using high quality materials. We always aim at providing high quality sheets & plates at most competitive price and are sheets are always high on quality and durability. These sheets and plates are available in different dimensions and material to ensure wider options to our clients.



### SS P.V.C. COATED SHEET

The quality of the product depends on the kind of material used. Our suppliers are the most reliable and trustworthy brands of the country – Jindal Steel Limited (JSL) and Steel Authority of India (SAIL).

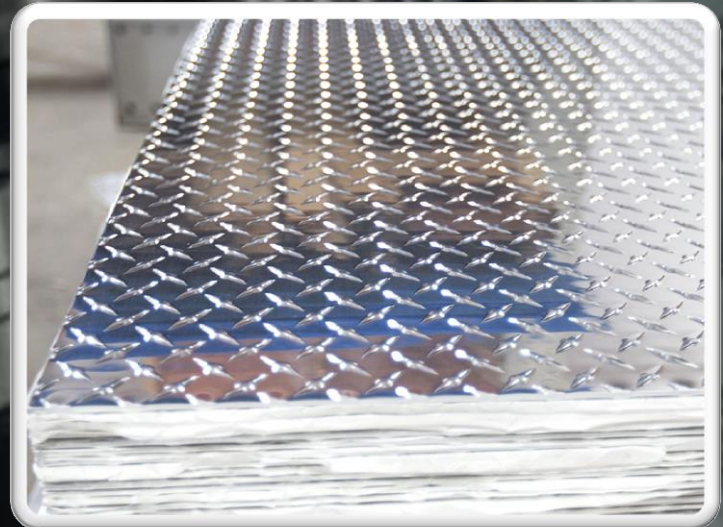


## SS DESIGNER SHEET

As we started our business operations, we were appreciated for manufacturing, providing services, exporting the best quality of Stainless Steel Products. To ensure high standards of quality, these products are sourced from reliable sources. The quality of these products is always maintained at our end. SS Checkered Sheet

## SS PLATE

Backed by the sound experience of varied aspects of the industry, we have been able to offer a range of Stainless Steel Plates. All our products are developed as per the guidance of experienced quality inspectors in tandem with the norms laid down by the industry. These are extensively applauded by the customers for their durability, fine finishing, resistance against wear & tear and ability to withstand extreme temperature.



## SS COILS

Our Stainless Steel Coils are widely used in many industries such as engineering, electronic etc. Our range is highly acknowledge and known for its sturdy construction, longer functional life, corrosion resistance and load bearing strength. They are available in various sizes and thicknesses. These are featured with BA/2B finish, resistant to corrosion, abrasion resistant, heat resistant, dimensionally accurate, high strength and are durable.

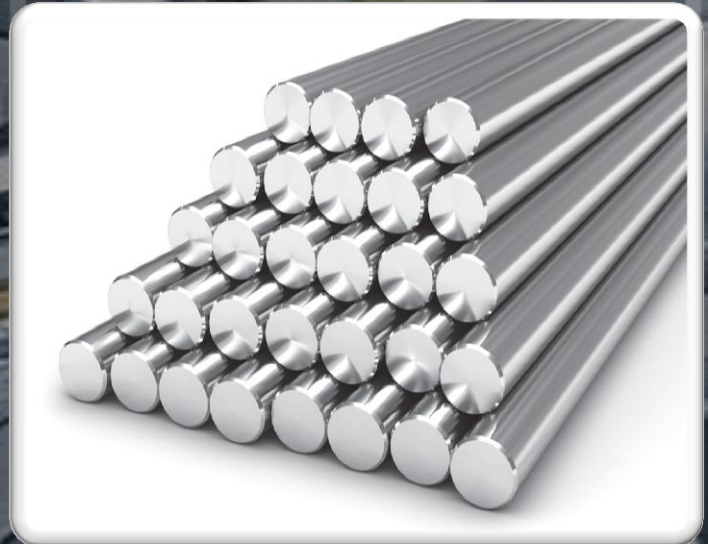
## SS PIPE & PIPEFITTINGS

To meet the rising demands of our customers, we offer utmost quality fitting. Easy and convenient to install, it is widely acknowledged among our valued patrons. Cost- effective and non-corrosive in its features, the offered product is widely applauded among our clients. Our offered Stainless Steel Pipe fitting grade 904L is custom- ized as per client's requirements.



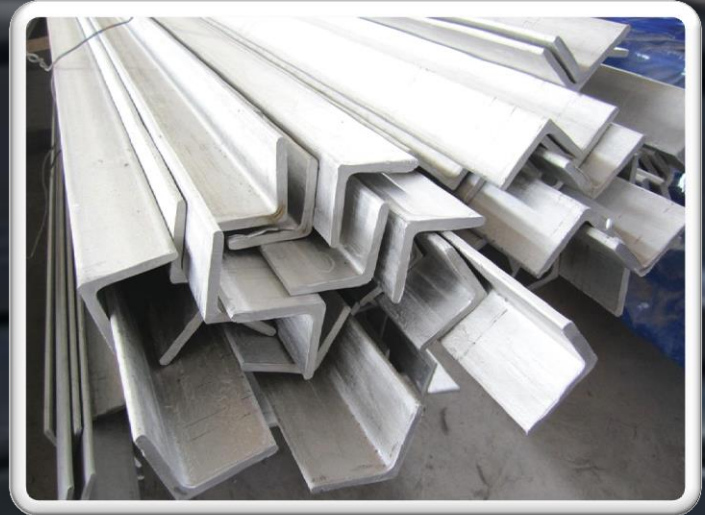
## SS ROD

We are successfully ranked amongst the topnotch entity offering a wide range of Steel Rods. These rods are manufactured using quality stainless steel, alloy and advanced technology. The offered rods have long length and thickness. Also, these rods are used in various industries for supporting various types of devices and instruments. Furthermore, these rods are available in varied thickness and length.



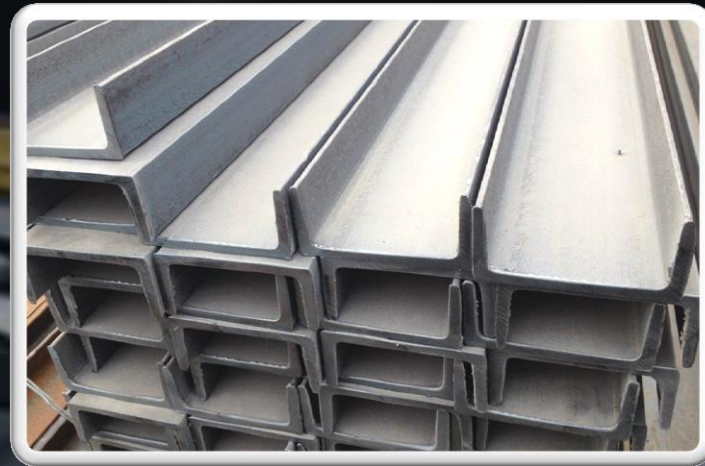
## SS ANGLE

An angle is among the most popular hot rolled and low carbon steel shapes used in manufacturing. It is also used in fabrication and repair projects. Be it a trailer or a truck bed, a farm implements or a construction equipment, a angle is used everywhere.



## SS CHANNEL

We also deliver the best quality steel channel. Our channels are ideal for all general fabrication, structural applications, manufacturing and repairs. They are widely used in industrial maintenance, transportation equipment, agricultural implements, trailers, truck beds etc.



## SS Round Tube

A wide range of round tubes are available in stainless steel with us. They are easy to weld and can also be cut easily. These round tubes are available in stock and custom lengths. You need not place any minimum order to get these tubes.





## SS FLAT BAR

Flat bar has a thousands of uses and we make the best flat bars. It is generally used for industrial tools, structure construction, mechanical parts, base plates, ornamental fence construction and more. We have bars available in a range of standard sizes and customized cut-to-fit services.



## SS FLANGE

SRU Steel Limited provides a customized Steel Flanges. Conforming to the defined parameters of ASME B1.20.1, these flanges are highly appreciated for their remarkable attributes such as longer service life, resistance against corrosion and sturdiness.

These offered flanges are available with us in different sizes and specifications and can be further customized as per the requirement.



## SS DAIRY FITTINGS & VALVES

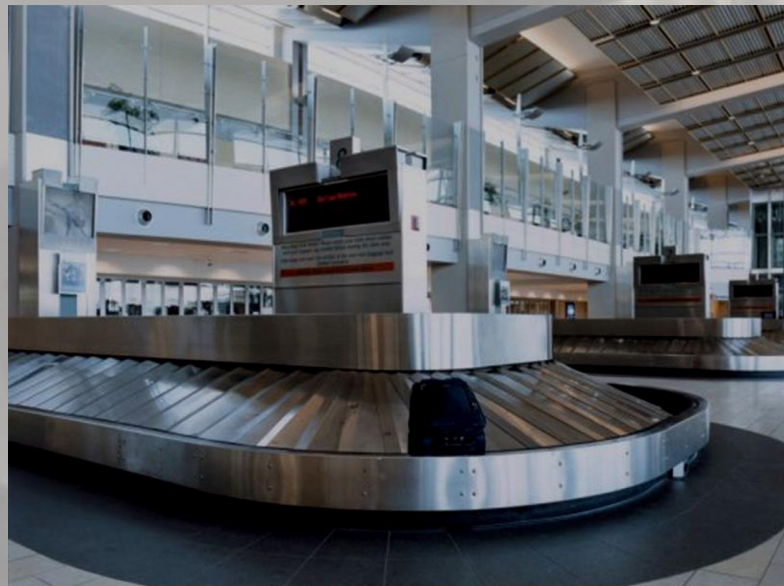
Our clients can avail from us a wide assortment of Stainless Steel Valves. These valves have long service life and find extensive usage for various industrial applications. These valves are tested by our expert professionals to ensure that these are at par with the highest standards of quality.



## INDUSTRIAL FABRICATIONS



- Sugar Mills
- Rice Mills
- Pharmaceuticals
- Food Processing Industries
- Chemical Process Industries
- Paper mills Petrochemicals



## HIGHLIGHTS OF THE YEAR

### 1. TOTAL INCOME GROWTH

15.90%

2019-20	2018-19
Rs. 389,623,707	Rs. 336,173,735

### 2. EBITDA GROWTH

-10.72%

2019-20	2018-19
Rs. 3,978,157.00	Rs. 4,455,995.00

### 3. PAT GROWTH

-25.66%

2019-20	2018-19
Rs. 2,204,751	Rs. 2,965,811

### 4. EPS GROWTH

-24.32%

2019-20	2018-19
Rs. 0.28	Rs. 0.37

### 5. NET WORTH

1.8%

2019-20	2018-19
Rs. 122,637,905	Rs. 120,406,953

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## CORPORATE INFORMATION

BOARD OF DIRECTORS	DESIGNATION
Mr. Naresh Kumar Garg	Chairman
Mr. Ramesh Agarwal	Managing Director
Mr. Ashok Kumar Mahawar	Independent Director
Mr. Rajeev Mittal	Independent Director
Mr. Prem Prakash Agarwal	Independent Director
Mr. Pankaj Jain	Independent Director
Ms. Richa Agarwal	Non-Executive Director

KEY MANAGERIAL PERSONNEL	DESIGNATION
Mr. Hitesh Laxmikant Somani	Chief Financial officer
Ms. Shallu Garg	Company Secretary and Compliance officer

REGISTERED OFFICE
A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052 Tel: 011-27373622 Email: srusteels@yahoo.in Website: www.srusteels.in

INTERNAL AUDITOR
M/s Goel Vikas & Co., Character Accountant G-261, First Floor, Rishi Nagar, Rani Bagh, Delhi-110034

STATUTORY AUDITOR
M/s Agrawal Mahesh Kumar & Co (Chartered Accountants) 387, 2nd Floor, Anuvart Tower, Wazirpur Commercial Complex New Delhi-110052 Tel: 9312247400, Email ID: fcamka@gmail.com

BANKERS
State Bank of India

SECRETARIAL AUDITOR
M/s Anand Nimesh & Associates (Company Secretaries) 183B, Second Floor, Gurudwara Road, West Guru Angad Nagar, Laxmi Nagar, Delhi-110092 Tel: 011-42730004, Email ID: vdnex1711@gmail.com, Website: www.anandnimesh.com

Corporate Identification No.
CIN: L17300DL1995PLC107286

REGISTRAR AND SHARE TRANSFER AGENT
Beetal Financial & Computer Services (P) Ltd Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada HarsukhdasMandir, New Delhi – 110 062 Tel:011-29961281, 29961282, Fax: 011-29961284 E-mail: beetal@rediffmail.com, Website:www.beetalfinancial.com



**SRU STEELS LIMITED**

**CIN No-L17300DL1995PLC107286**

**Regd. Office and Corp. Office: A-48, 1st Floor, Wazirpur Industrial Area, New Delhi-110052**

**website:- [www.srusteels.in](http://www.srusteels.in) | E-mail:-[srusteels@yahoo.in](mailto:srusteels@yahoo.in) | Tel No-011-27373622**

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## **NOTICE**

Notice is hereby given that the Twenty Fifth (25th) Annual General Meeting (AGM) of the members of SRU STEELS LIMITED will be held on Wednesday, September 30, 2020 at 2:30 IST through Video Conferencing/ Other Audio Visual Means ("VC/OAVM"), to transact the following business. The Venue of the Meeting shall be deemed to be the Registered office of the Company at A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended March 31, 2020 and the reports of the Board of Directors and Auditors thereon;
2. To appoint a Director in place of Mr. Ramesh Agarwal (DIN: 00151223), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

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

**Place: New Delhi**

**Date: August 12, 2020**

**Shallu Garg  
Company Secretary  
ACS No. 60869**

## Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by the Securities and Exchange Board of India and in compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 25th AGM of the Company is being conducted through VC / OAVM facility, which does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.  
  
Central Depository Services (India) Limited ("CDSL") will be providing facility for voting through remote e-voting for participation in the AGM through VC / OAVM and e-voting during the AGM. The procedure for participating in the meeting through VC / OAVM is available on the website of the Company at [www.srusteels.in](http://www.srusteels.in).
2. ALTHOUGH, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/ HERSELF, BUT SINCE THIS MEETING IS BEING HELD THROUGH VC/OAVM UNDER THE FRAMEWORK OF MCA CIRCULARS ON ACCOUNT OF THREAT POSED BY COVID-19, WHERE PHYSICAL PRESENCE OF MEMBERS HAS BEEN DISPENSED WITH, THE FACILITY OF APPOINTMENT OF PROXY WILL NOT BE AVAILABLE. AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED HERETO.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 25th AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. The Notice of 25th Annual General meeting of the Company and the Annual Report 2019-20 will be available on the Company's website [www.srusteels.in](http://www.srusteels.in) and on the website of the Stock Exchange i.e. BSE Limited [www.bseindia.com](http://www.bseindia.com) and Central Depository Services Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).
4. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this notice.
5. For convenience of the Members and proper conduct of AGM, Members can login the 25th AGM through VC/OAVM from 02:00 IST i.e. 30 minutes before the time scheduled to start the 25th AGM and Company can close the window for joining the VC/OAVM facility 30 minutes after the schedule time to start the 25th AGM.
6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. 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.
8. Pursuant to the provision of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 25th AGM and facility for those members participating in the 25th AGM to cast vote through e-voting system during the 25th AGM.
9. Institutional / Corporate Members (i.e. other than Individual, HUF, NRI etc.) intending to send their Authorised Representatives to attend and vote in the meeting to be held through video conferencing are requested to share with the Company for Authorization a certified true copy of the board resolution through electronic mode, power of attorney or such other valid authorization, authorizing him/her to attend and vote in the meeting to be held through video conferencing and any one of the photo identity proofs (viz. Driving License, PAN Card, Election Card, Passport or any other valid proof), pursuant to Section 112 and Section 113 of the Act at [srusteels@yahoo.in](mailto:srusteels@yahoo.in)
10. To support the Green Initiative, Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company at [srusteels@yahoo.in](mailto:srusteels@yahoo.in) along with the copy of the signed request letter mentioning the name and address of the Member, self-attested copy of the PAN card, and self-attested copy of any document (e.g.: Driving License, Election Identity Card, Passport) in support of the address of the Member. Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant Depository Participants. In case of any queries / difficulties in registering the e-mail address, Members may write to [srusteels@yahoo.in](mailto:srusteels@yahoo.in).
11. Your attention is invited on the Companies (Significant Beneficial Ownership) Amendment Rules, 2019 issued by the Ministry of Corporate Affairs on 8th February 2019. A person is considered as a Significant Beneficial Owner (SBO) if he/she, whether acting alone, together or through one or more individuals or trust holds a beneficial interest of at least 10%. The beneficial interest could be in the form of a company's shares or the right to exercise significant influence or control over the company. If any Shareholders holding shares in the Company on behalf of other or fulfilling the criteria, is required to give a declaration specifying the nature of his/her interest and other essential particulars in the prescribed manner and within the permitted time frame.
12. The Register of Members and Share Transfer Books of the Company shall remain closed during the book closure period i.e. from Thursday, 24th September, 2020 to Wednesday 30th September, 2020 (both days inclusive).
13. As required under Listing Regulations and Secretarial Standards-2 on General Meetings brief resume of the Director proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold Directorships and Memberships/Chairmanships of the Board Committees, shareholding and relationships between Directors inter-se as stipulated under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulation,

- 2015, is separately annexed hereto. Directors seeking reappointment have furnished requisite declarations under section 164(2) and other applicable provisions of the Act, including rules framed there under and the Listing Regulations
14. The Company has a dedicated email address [srusteels@yahoo.in](mailto:srusteels@yahoo.in) for members to mail their queries or lodge Complaints, if any. We will reply to your queries at the earliest. The Company's website [www.srusteels.in](http://www.srusteels.in) has a dedicated section on Investors.
  15. Electronic copy of Annual Report for the financial year 2019-20 along with Notice of the 25th AGM of the Company inter alia indicating the process and manner of e-voting is being sent to all the members whose e-mail IDs are registered with the Company or the Depository Participant(s) for communication purpose.
  16. Members holding shares in multiple folios in identical names or joint accounts in the same order of names are requested to apply to Company's RTA for consolidation of their shareholdings into one folio.
  17. Members may visit the Company's corporate website to view the Financial Statements or access information pertaining to the Company. Queries, if any, should be sent at least 48 hours before the AGM to Company Secretary at the Registered Office of the Company.
  18. Members are requested to notify immediately any change of address:
    - a) To their Depository Participants (DPs) in respect of their electronic share accounts, and
    - b) To the Company's Registrar & Share Transfer Agents, Beetal Financial & Computer Services (P) Ltd at its office 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.
  19. 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.
  20. The shares of the Company are under compulsory Demat trading. Also, as per Listing Regulations, securities of listed companies can only be transferred in dematerialized form w.e.f. April 01, 2019. Therefore, Members holding shares in physical form are advised to convert their shares into dematerialized form in their own interest and convenience purpose.
  21. In terms of Section 72 of the Companies Act, 2013, a member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed form to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
  22. Pursuant to Section 101 and 136 of the Companies Act, 2013 read with relevant rules made there under, 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.
  23. Beetal Financial & Computer Services Pvt. Ltd. is the Register and Share Transfer Agents (RTA's) of the Company. All investor relation communication may be sent to RTA's at the following address:
 

Beetal Financial & Computer Services Pvt. Ltd  
Beetal House, 3rd Floor,  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukh Dass Mandir, New Delhi-110062  
Ph. 011-29961281-283, Fax.011-29961284  
Email id: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)
  24. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of 25th Annual General Meeting and holding shares as of the cut-off date i.e. September 23, 2020 may follow the same procedure as mentioned in the instructions below. However if you are already registered with CDSL for remote e-voting then you can use your existing password for casting your vote. If you have forgotten your login password then go to website [www.evotingindia.com](http://www.evotingindia.com) then click on shareholders, enter the User ID and the image verification code and click Forgot Password and enter the details as prompted by the system.
  25. **Voting through electronic means**
    - i. In compliance to provision of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 as amended by the Companies (Management & Administration) Rules, 2015, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to exercise their right to vote on resolutions proposed to be considered at the 25th AGM by electronic means and the business may be transacted through e-Voting Services.
 

The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited ("CDSL").
    - ii. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Wednesday, 23rd September, 2020, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.



- iii. The Member can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iv. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. In case vote is cast by both the modes, then vote cast by remote e-voting prior to the meeting shall prevail.
- v. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of 25th Annual General Meeting and holding shares as of the cut-off date i.e. September 23, 2020 may follow the same procedure as mentioned in the instructions below.

#### A. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER

The remote e-voting facility will be available during the following period and after the following mentioned period the portal shall forthwith be blocked and shall not be available:

Commencement of remote E-Voting	From 9:00 A.M, Sunday 27th September, 2020
End of remote E-Voting	up to 5:00 P.M., Tuesday, 29th September, 2020

During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2020, may cast their vote electronically.

**The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)**

- Click on Shareholders.
- Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
- For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing

password is to be used.

- h) If you are a first time user follow the steps given below:

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

- After entering these details appropriately, click on "SUBMIT" tab.
- 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.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant SRU STEELS LIMITED on which you choose to vote.
- 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.

- n) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- o) 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.
- p) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- q) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- r) If a 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.
- s) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and window phones users can download the app from apple store and window phone store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**T. Note for Non – Individual Shareholders and Custodians**

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporate.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
3. After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
4. 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.
5. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
6. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address **srusteels@yahoo.in** if

they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**B. PROCESS FOR THOSE SHAREHOLDERS WHO’S EMAIL ADDRESSES IS NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders-Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders-Please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email id.
3. The company/RTA shall co-ordinate with CDSL and provides the login credentials to the above mentioned shareholders.

**C. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC / OAVM through the CDSL e-voting system. Members may access the same at **www.evotingindia.com** under Members login by using the remote e-voting credentials. The link for VC / OAVM will be available in Members login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice. Further Members can also use the OTP based login for logging into the e-voting system of CDSL.
2. Shareholders are encouraged to join the meeting through Laptop/I Pads for better experience.
3. Please note that participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
4. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at **srusteels@yahoo.in**. Questions/queries received by the Company till 5.00 p.m. on Sunday, September 27, 2020 shall only be considered and responded during the AGM.
5. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- D. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**
- i. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - ii. Only those Members, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
  - iii. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
  - iv. If you are already registered with CDSL for e-voting then you can use your existing User ID and Password for casting vote.
  - v. Login to e-voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.
  - vi. Your Login ID and password can be used by you exclusively for e-voting on the resolutions placed by the companies in which you are shareholder. Members may note that the Notice of the 25th Annual General Meeting and Annual Report for the financial year ended 2019-20 will also be available on the Company's website [www.srusteels.in](http://www.srusteels.in) for their download.
  - vii. The remote e-voting period commences on Sunday, September 27, 2020 at 9:00 A.M and ends on Tuesday, September 29, 2020 at 5:00 P.M. During this period members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date of September 23, 2020, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
24. The Board of Directors of the Company has appointed M/s Avinash Pandey & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
  25. The results shall be declared on or after the Annual General Meeting. The results declared along with the Scrutinizer's Report shall also be placed on the Company's website [www.srusteels.in](http://www.srusteels.in) and on the website of CDSL within 48 hours from the passing of the resolutions at the Annual General Meeting and the same shall also be simultaneously communicated to the Stock Exchange(s), where the equity shares of the Company are listed.
  26. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai-400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
  27. In terms of Section-149 of the Companies Act, 2013, the provisions of retirement by rotation are not applicable to independent directors. Therefore Mr. Ramesh Agarwal, Director, retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting.
  28. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Website of the Company at [www.srusteels.in](http://www.srusteels.in).
  29. Relevant documents referred to in the accompanying Notice, as well as Annual Reports and Annual Accounts of the Company are open for inspection at the Website of the Company at [www.srusteels.in](http://www.srusteels.in).

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

**Shallu Garg  
Company Secretary  
ACS No. 60869**

**Place: New Delhi**

**Date: August 12, 2020**

## ANNEXURE TO ITEM 02 OF THE NOTICE

Relevant details, in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standards-2 of General Meetings in respect of Director proposed for appointment/re-appointment at Twenty Fifth (25th) Annual General Meeting are as follows:

<b>Name</b>	<b>Mr. Ramesh Agarwal</b>
<b>DIN</b>	151223
<b>Father's/ Husband's Name</b>	Mr. Roshan Lal Agarwal
<b>Date of Birth</b>	30.08.1952
<b>Date of Appointment</b>	01/04/2003
<b>Official Address</b>	View Building, 3rd Floor, 165, Dr. A.B. Road, Worli, Mumbai, 400018
<b>Qualifications</b>	Graduate
<b>Experience</b>	Having more than 41 years of experience in steel industry and economics and industrialization. Excellent relationship management skill coupled with extensive contract in the industry, regulatory and business circles. Effective leadership and motivation skill for setting higher goals and standards and driving the team to achieve the same. Providing direction and counsel to the executive management for exceeding business targets. Strongly pursues for adhering and installing Company's values in the workforce and promoting good governance culture across the organization.
<b>Number of shares held in the Company as at 31.03.2020</b>	NIL
<b>Other Directorship in Public Limited Companies</b>	NIL
<b>Remuneration last drawn during F.Y 2019-20</b>	₹ 9, 00,000 P. A.
<b>List of Directorships held in other companies as on March 31, 2020</b>	1
<b>No. of Board Meeting attended during the financial year 2019-2020</b>	6
<b>Chairman/Member of the Committees of the Board of companies in which he is a Director</b>	Stakeholders' (SRU Steels Limited) Member

## DIRECTORS' REPORT

To,  
The Members,  
SRU Steels Limited

Yours Directors take pleasure in presenting the 25th (Twenty Fifth) Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended March 31, 2020.

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

(Amount in ₹)

PARTICULARS	CUR- RENT YR. (2019-20)	PREVIOUS YR. (2018-19)
Revenue from Operation	384,670,785	333,239,913
Other Income	4,952,922	2,933,822
<b>Total Revenue</b>	<b>389,623,707</b>	<b>336,173,735</b>
<b>Profit before Finance Cost and Depreciation</b>	<b>4,178,130</b>	<b>4,477,057</b>
Finance Cost	479,050	21,062
Depreciation	716,670	276,343
<b>Profit before Exceptional Item &amp; Tax</b>	<b>2,982,410</b>	<b>4,179,652</b>
Exceptional Item	Nil	Nil
<b>Profit before Tax</b>	<b>2,982,410</b>	<b>4,179,652</b>
Less: Current Tax	769,117	1,051,969
Earlier period Tax Ex- pense	-	124,411
Deferred Tax	8,542	37,461
<b>Profit For the Year</b>	<b>2,204,751</b>	<b>2,965,811</b>
Add: Balance in Profit and Loss Account	Nil	Nil
<b>Sub: Total</b>	<b>2,204,751</b>	<b>2,965,811</b>
<b>Other Comprehensive Income</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Comprehensive Income for the year</b>	<b>2,204,751</b>	<b>2,965,811</b>

In accordance with the Ministry of Corporate Affairs ("MCA") circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020, the Annual Report 2019-20 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, prepared as per the requirements of Schedule III to the Act, Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent via email to all shareholders who have provided their email address(es).

The Annual Report 2019-20 is also available at the Company's Website at [www.srusteels.in](http://www.srusteels.in)

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

Your Company continues to operate only in one segment i.e. in the business of all kinds of varieties of steels, stainless steels, mild steels, carbon iron steel and acting as consignment agent etc. and there is no change in the nature of business of the company.

The Company, during the current financial year would focus on achieving milestone in the same area. This would strengthen the generation and sustainability of revenue in the years to come.

Your Company achieved total revenue of ₹ 389,623,707 in 2019-20 as against ₹ 336,173,735/- in 2018-19.

### 3. 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 2020.

### 4. Share Capital/ Capital Structure

#### Authorised Share Capital

The Authorised Capital share capital of the Company as at March 31, 2020 was ₹ 95,000,000/- divided into 9,500,000 equity shares of Rs. 10/- each.

#### Paid – up Capital

The paid up capital of your Company as on March 31, 2020 was ₹ 79,919,000 divided into 7,991,900 equity shares of ₹ 10/- each. During the year under review, your Company has neither issued shares with differential voting rights nor granted stock options nor sweat equity.

### 5. Transfer to Reserves

Your Company has transferred a sum of ₹ 2,204,751 to the General Reserves. The total Reserves and Surplus as at March 31, 2020 was ₹ 42,718,905

### 6. Listing of Shares

The Company's equity shares are listed with BSE Limited. The annual listing fee for the financial year 2020-21 has been paid to the Stock Exchange,

### 7. Subsidiaries, Associate Companies and Joint Venture

Your Company does not have any subsidiaries, joint Venture or associate Companies.

### 8. Indian Accounting Standards (Ind As):-

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standard (Ind As) and Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company has adopted Indian Accounting Standards ("Ind AS") from April 01, 2017 (transition date to Ind AS is April 01, 2016) and the financial Statements have been prepared in accordance with recognition and measurement principal of Indian Accounting Standards ("Ind AS") as prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as specified in section 133 of the Companies Act, 2013. The Annual Accounts for the year ended March 31, 2020 have also been prepared in accordance with Indian Accounting Standard (Ind AS).

## 9. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The Company being engaged in the business of Trading of Stainless Steel does not have any energy utilization or technology absorption. The Company during the year under review has not any inflow or outflow in foreign exchange.

The Information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure-I** and forms part to this report

## 10. Disclosures

### a) Number of Board Meeting

During the financial year 2019-20, 6 (Six) number of Board Meetings were held. The details of which are given in the Corporate Governance Report.

### b) Disclosure on Audit Committee

During the financial year 2019-2020, 5 (Five) number of Audit Committee Meetings were held. The details of which are given in the Corporate Governance Report.

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

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

## 11. Extract of Annual Return

The extract of Annual Return as on March 31, 2020 in prescribed form MGT-9 as required pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is appended to this report as annexure to this report as '**Annexure-II**'.

## 12. Managing the Risks of Fraud, Corruption and Unethical Business Practices

### Disclosure on Vigil Mechanism / Whistle Blower Policy

The Company has established a "Vigil Mechanism" through which its employees and Directors may report any concerns of unethical behaviour, malpractice, wrongful conduct, fraud or violation of the Company's code of conduct, leak or suspected, leak of unpublished price sensitive information without fear of reprisal without fear of reprisal.

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

The Board has formulated policy on Whistle Blower and the same may be accessed at the website of the Company i.e. <http://srusteels.in/pdfs/Vigil%20Mechanism.pdf>.

## 13. Director's Responsibility Statement

The Board of Directors hereby confirms and accepts the responsibility for the following in respect of the Audited Annual Accounts for the financial year ended March 31, 2020:

- a) That in the preparation of the annual accounts for the financial year ending 31st March, 2020, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual accounts/financial statements have been prepared on a going concern basis; and
- e) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

## 15. Auditors

### i. Statutory Auditor and their Report

Pursuant to the provision of Section 139 of the Companies Act, 2013 and rules made thereunder, M/s. Agarwal Mahesh Kumar & Co, Chartered Accountants, Delhi (Firm Registration No. 014618N) were appointed as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 24th Annual General Meeting up to the Conclusion of 29th Annual General Meeting to be held in the year 2024 at a remuneration as may be fixed by the Board of Directors or Audit Committee

in consultation with the Auditors thereof. The requirement for the annual ratification of auditor's appointment at the Annual General Meeting has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018. The Statutory Auditors have confirmed they are not disqualified from continuing as Auditors of the Company.

## Auditor's Report

There are no qualifications, reservations or adverse remarks made by M/s. Agarwal Mahesh Kumar & Co, Chartered Accountants, in their report for the financial year ended March 31, 2020. Pursuant to the provisions of section 143(12) of the Companies Act, 2013, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

### ii) Cost Auditors

In Pursuant to Section 148(1) of the Companies Act, 2013 and rules and regulation made there under read with the Companies (Accounts Rules) Amendment Rules, 2018 cost audit is not applicable to the Company and therefore maintenance of cost records as specified under section 148(1) of the Act, is not required.

### iii) Secretarial Auditors and Secretarial Audit Report

In terms of Section 204(1) of Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Anand Nimesh & Associates, Company Secretaries, Delhi as the secretarial auditor of the Company for the financial year ending 31st March, 2020.

The Secretarial Audit Report submitted by M/s Anand Nimesh & Associates, Company Secretaries in prescribed format in MR-3 to the shareholders of the Company is annexed to this Report as **Annexure-III**.

There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2019-20 which call for any explanation from the Board of Directors.

M/s Anand Nimesh & Associates, Company Secretaries in Practice have been re-appointed by the Board of Directors on recommendation of Audit Committee in pursuant to the provisions of the Section 204 of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force for the financial year 2020-21.

### iv) Internal Auditor

The Board of Directors on recommendation of Audit Committee appointed M/s Goel Vikas &

Co., Chartered Accountant as Internal Auditors of the company, pursuant to the provisions of the Section 138 of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) for the financial year 2020-21.

## 16. Related Party Transactions and Policy on Related Party Transactions

With reference to Section 134(3) (h) of the Companies Act, 2013, details of Related party transactions, if any covered under the provisions of Section 188 of the Act are given in the notes to the Financial Statements. All the transactions, if entered were on an arm's length basis and were in the ordinary course of business and are in compliance of the provisions of the SEBI (LODR) Regulations, 2015.

There are no materially significant related party transactions (i.e. transactions exceeding ten per cent of the annual turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the Policy of the Company on materiality of Related Party Transactions made by the company which may have potential conflict with the interest of the Company at large and thus disclosure in Form AOC-2 is not required.

Omnibus Approvals are obtained for related party transactions which are repetitive in nature. In respect of unforeseen transactions, specific approvals would be taken, if required. All related party transactions are approved/ reviewed by the Audit Committee on quarterly basis, with all the necessary details and are presented to the Board and taken on record. The Board has formulated policy on Related Party Transactions and it may be accessed at the website of the company [http://srusteels.in/pdfs/related%20party%20Policy%20\\_SRU.pdf](http://srusteels.in/pdfs/related%20party%20Policy%20_SRU.pdf)

A confirmation as to compliance of Related Party Transactions as per Listing Regulations is also sent to the Stock Exchanges along with the quarterly compliance report on Corporate Governance. Disclosure of related party transactions is also sent to the Stock Exchanges after publication of standalone financial results for the half year.

As all the transactions with related parties were in the ordinary course of business and at arm's length, and there were no material related party transactions, the statement Form AOC-2, is not annexed to this report.

## 17. Internal Financial Control

According to Section 134 (5) (e) of the Companies Act, 2013 read with rule 18 the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company believes that a strong internal control framework is very much essential and is part of good corporate governance practices. Your Company has in place well defined and adequate internal financial control framework commensurate with the size and complexity of its business to ensure proper recording of financial & operational information, compliance of various internal control and other regulatory/statutory compliances. All internal Audit findings and control systems are periodically reviewed by the Audit Committee of the Board of Directors, which provides strategic guidance on internal control.

## 18. Risk Management Policy

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

The risk management approach is based on the clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement and continuous risk assessment and mitigation reserves. The objective of any risk identification and assessment process is to evaluate the combination of like hood and level of negative impacts from an event. The three main components of risk assessment are business risk, service/ operational risk and external risk. The Company manages the risk in line with current risk management best practices. This facilitates the achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making and compliance with applicable law and regulations. The Board has formulated policy on Risk Management Policy and it may be accessed at the website of the company <http://www.srusteels.in/pdfs/Risk%20Management%20Policy.pdf>.

Covid-19 is an unprecedented risk and it has severally affected all the keys dimension of business operations both at National level and at International level since March 2020. Nation Wide lockdowns were announced across the world to minimize its impact. Currently, restrictions are being relaxed in a phased manner. Huge financial stimulus package has been announced by Indian government to support the economy. However, situation is still far from normal and uncertainty prevails over future.

## 19. Nature of business

There has been no change in the nature of business of the Company.

## 20. Committees of Board

### (i) CORPORATE SOCIAL RESPONSIBILITY (CSR)

In pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, every company having net worth of ₹ 500 Crores or more, or turnover of ₹ 1000 Crores or a net profit

of ₹ 5 Crores or more during any financial year shall constitute a Corporate Social responsibility Committee of the Board consisting of 3 or more directors, out of which at least one shall be an Independent Director.

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

### (ii) Audit Committee

Audit Committee of the Company meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The details of the composition of the Audit Committee as required under the provisions of Section 177(8) of the Companies Act, 2013 are given in the Corporate Governance Report which forms part of this annual report.

The terms of reference of Audit Committee are confined to new Companies Act 2013 & Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Part-C of Schedule II.

During the year under review, the Board has accepted all the recommendations of the Audit Committee. The details of meetings with attendance thereof and terms of reference of Audit Committee have been provided in the Corporate Governance Report which forms part of this report.

### (iii) Nomination and Remuneration Committee

The Company has formed the Nomination and Remuneration Committee in accordance with the provisions of the Section 178 Companies Act 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The Company pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and senior management which inter-alia provides the diversity of the Board and provides the mechanism for performance evolution of the Directors and the said policy have been outlined in the Corporate Governance Report which forms part of this Report.

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

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



#### (iv) Stakeholder Relationship Committee

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

#### 21. Declaration from Independent Directors on Annual Basis

The company has received necessary declarations from all the Independent Directors of the company under Section 149(7) of the Act confirming that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has also received from them declaration of compliance of Rule 6 (1) & (2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, regarding online registration with the "Indian Institute of Corporate Affairs" at Manesar, for inclusion/ renewal of name in the data bank of Independent Directors. With regard to integrity, expertise and experience (including the proficiency) of the Independent Directors during the Financial year 2019-20, the Board of Directors have taken on record the declarations and confirmations submitted by the independent directors and is of the opinion that all the Independent Directors are persons of integrity and possesses relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company.

The Board of Directors have taken on record the declarations submitted by Independent Directors that they are exempt from appearing in the test or that they will comply with the applicable law before the prescribed timeline.

None of the Directors of the Company are related inter-se, in terms of Section 2(77) of the Act including Rules there under.

Based on the confirmation / disclosures received from the Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent:

- Sh. Prem Prakash Agarwal
- Sh. Pankaj Jain
- Sh. Rajeev Mittal
- Sh. Ashok Kumar Mahawar

#### 22. Directors & Key Managerial Personnel

##### a) Retirement by Rotation

Pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ramesh Agarwal (DIN: 00151223),

Director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, he has offered himself for reappointment. Necessary resolutions for his reappointment are included in the Notice of AGM for seeking approval of Members. The Board of Directors recommend his re-appointment for your approval.

The details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 & SS-1, SS-2 as prescribed by Institute of Company Secretaries of India regarding re-appointment of Mr. Ramesh Agarwal, his brief resume, the nature of expertise in specific functional areas, names of Companies in which he hold Directorships, committee Memberships/ Chairmanships, his shareholding in the Company etc., are furnished in the Annexure to the notice of the ensuing AGM.

##### b) Appointment

Ms. Shallu Garg was appointed by the Board of Directors as a Company Secretary & Compliance officer of the Company pursuant to Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and in terms of Regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 w.e.f. 26th December, 2019.

##### c) Cessation

During the year under review Ms. Diksha Gandhi, Company Secretary and Compliance Officer of the Company was resigned from the Company w.e.f. September 02, 2019.

##### d) Woman Director

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

#### 23. Evaluation of the Board's Performance

Pursuant to the Section-134 (3) (p) of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Grievance Committees.

A Separate meeting of the independent directors ('Annual Independent Directors meeting) was convened on 29th February, 2020, the Directors' performance was evaluated on parameters such as level of engagement

and contribution in safeguarding the interest of the Company etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. Further the performance evaluation of the Chairman and Non Independent Directors was carried out by the Independent Directors.

The details of evaluation process of the Board, its Committees and individual directors, including Independent Directors have been provided under the Corporate Governance Report.

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

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

**25. Deposit**

During the year under review, the Company has neither accepted nor renewed any deposits in terms of Chapter V of the Companies Act, 2013 and Rules framed there under.

**26. Reporting of frauds by Auditors**

During the year under review, the Statutory Auditor and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this report.

**27. Significant and material orders passed by the regulators**

No Significant and Material orders have been passed by any Regulator or Court or Tribunal which can have an impact on the going concern status and the Company's operations in future.

**28. Corporate Governance**

As per the requirement of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 executed with the Stock Exchange(s), Your Company has complied with the Corporate Governance norms as stipulated under the Listing Regulations. A detailed report on Corporate Governance forms part of this Annual Report.

A certificate from M/s Anand Nimesh & Associates, Company Secretary in Practice has been received confirming compliance of the Corporate Governance requirements by the Company and is attached to the Report on Corporate Governance.

**29. Management Discussion & Analysis Report**

As per requirements of Listing Regulations, a detailed review of the developments in the industry, performance of the Company, opportunities and risks, internal control systems, outlook etc. of the Company is given under the head Management Discussion and Analysis Report, which forms part of this Annual Report.

**30. Sexual Harassment of Woman at work place**

The Company has in place policy on Prevention, Prohibition and Redressal of Sexual Harassment for women at workplace in accordance with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up as per the statutory requirements, to redress complaints regarding sexual harassment. The policy has set guidelines on the redressal and enquiry process that is to be followed by complainants and the ICC, whilst dealing with issues related to sexual harassment at the work place.

All women employees (permanent, temporary, contractual and trainees) are covered under this policy. The company has not received any complaints during the year. There were no complaints received from the employees during the financial year 2019-20 and hence no complaint is outstanding as on March 31, 2020.

**31. Independent Director's familiarisation Programme**

As per the provisions of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibilities as Independent Directors, the working of the Company, nature of the industry in which the Company operates, business model, management structure, industry overview, internal control system and processes, risk management framework, functioning of various divisions, HR Management etc. They are given full opportunity to interact with Senior Management good understanding of the Company, its business model and various operations and the industry of which it is a part. Your company aims to provide its independent Directors insight into the Company enabling them to contribute effectively.

The details of familiarisation program may be accessed on the Company's website [http://www.srusteels.in/pdfs/FAMILIARISATION\\_PROGRAMME\\_FOR\\_INDEPENDENTDIRECTORS\(1\).pdf](http://www.srusteels.in/pdfs/FAMILIARISATION_PROGRAMME_FOR_INDEPENDENTDIRECTORS(1).pdf).

**32. Particulars of remuneration of Directors/ KMP/ Employees**

Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure-V**, forming part of this report.

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel), Amendment Rules, 2016, a statement showing the names and other particulars of the top ten employees and the employees drawing remuneration in excess of the limits set out in the said rules is enclosed as **Annexure-VI** and forms part of this Report.

### 33. Material changes and commitments affecting the financial position of the Company

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

### 34. Buy Back of Securities

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

### 35. Sweat Equity, Bonus Shares or Employee Stock Option

Your Company has neither issued any Sweat Equity shares nor Bonus Shares nor any Stock Option Scheme during the year under review.

### 36. Change in the nature of Business, if any

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

### 37. Secretarial Standards

During financial year 2019-20, the Company has complied with applicable Secretarial Standards issued by the Institute of The Company Secretaries of India.

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

### 38. Investor Services

To improve investor services, your Company has taken the following initiatives:-

- An Investor Relation Section on the website of the Company ([www.srusteels.in](http://www.srusteels.in)) has been created to help investors to know the policies and rights of investors.
- There is a dedicated e-mail id [shallu.garg@srusteels.in](mailto:shallu.garg@srusteels.in) for sending communications to the Company Secretary. Members may lodge their requests, complaints and suggestions on this e-mail as well.

### 39. Following policies are also adopted by the board and are linked with the website of company at [www.srusteels.in](http://www.srusteels.in)

1. Archival Policy on Preservation of Documents of the Company. URL for the same is: <http://www.srusteels.in/pdfs/Archive Policy.pdf>
2. Policy on determination of materiality of the events/ information for making disclosure by the Company. URL for the same is: [http://www.srusteels.in/pdfs/ Policy\\_on\\_Disclosures.pdf](http://www.srusteels.in/pdfs/ Policy_on_Disclosures.pdf)
3. Policy on Preservation of Records. The same may be accessed at [http://www.srusteels.in/pdfs/ Policy on Preservation of\\_Records.pdf](http://www.srusteels.in/pdfs/ Policy on Preservation of_Records.pdf).
4. Policy on Code of Conduct for the Board of Director and Senior Management Personnel. <http://www.srusteels.in/pdfs/Code%20of%20Conduct%20for%20board%20members%20and%20senior%20personnel.pdf>.
5. Policy on Related Party Transaction. The same may be accessed at: [http://srusteels.in/pdfs/related%20party%20Policy%20\\_SRU.pdf](http://srusteels.in/pdfs/related%20party%20Policy%20_SRU.pdf)
6. Policy on performance Evaluation and URL for the same is: <http://srusteels.in/pdfs/ PERFORMANCE%20EVALUATION%20POLICY.pdf>

### Acknowledgements

Your Directors place on record their appreciation for the assistance, help and guidance provided to the Company by the Bankers and Authorities of State Government and Central Government from time to time. Your Directors also wish to place on record their sincere thanks and appreciation for the continuing support and unstinting efforts of investors, vendors, dealers, business associates and employees in ensuring an excellent all around operational performance.

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

**Ramesh Agarwal  
Managing Director  
DIN: 00151223**

**Naresh Kumar Garg  
Director & Chairman  
DIN: 00986846**

**Place: Delhi  
Date: August 12, 2020**

## ANNEXURE-I

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2020

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

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

### C. Foreign Exchange Earning and outgo

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

Particulars	Financial Year ended March 31st, 2020	Financial Year ended March 31, 2019
Foreign Exchange Earned	Nil	Nil
Foreign Exchange used	Nil	Nil

For and on behalf of the Board  
SRU Steels Limited

For and on behalf of the Board  
SRU Steels Limited

Ramesh Agarwal  
Managing Director  
DIN: 00151223

Naresh Kumar Garg  
Director & Chairman  
DIN:00986846

Place: New Delhi  
Date: August 12, 2020

## Annexure-II

### MGT-9

#### EXTRACT OF ANNUAL RETURN AS ON FINANCIAL YEAR ENDED ON 31.03.2020

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

#### I. REGISTRATION & OTHER DETAILS:

1	CIN	L17300DL1995PLC107286
2	Registration Date	11/09/1995
3	Name of the Company	SRU STEELS LIMITED
4	Category/Sub-category of the Company	COMPANY HAVING SHARE CAPITAL
5	Address of the Registered office & Contact details	A-48,1ST FLOOR, WAZIRPUR INDUSTRIAL AREA, DELHI-110052
6	Whether listed Company	Yes
7	Name, Address & contact details of the Register & Transfer Agent, if any	BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED BEETAL HOUSE, 3RD FLOOR, 99 MADANGIR, BEHIND LOCAL SHOPPING CENTRE, NEAR DADA HARSUKHDAS MANDIR, NEW DELHI-110062

#### II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated):

S. No	Name and Description of main product/services	NIC code of the Product/service	% of total turnover of the Company
1	Ferrous and Non- Ferrous Alloys	46109- The Company is primarily engaged in the business of "Trading of Stainless Steel"	100

#### III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANY

S. No	Name and address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	N.A	N.A	N.A	N.A	N.A

#### IV SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### A Category-wise Share Holding

Category code	Category of Shareholder	No. of Shares held at the beginning of the year (as on 31.03.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% of Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoter and Promoter Group<sup>2</sup></b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	0	0	0	0	0	0	0	0	0
(b)	Central Government/ State Government(s)	0	0	0	0	0	0	0	0	0
(c)	Bodies Corporate	1547000	0	1547000	19.36	1547000	0	1547000	19.36	0.00%
(d)	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
(e)	Any Others(Specify)	0	0	0	0	0	0	0	0	0
	<b>Sub Total(A)(1)</b>	<b>1547000</b>	<b>0</b>	<b>1547000</b>	<b>19.36</b>	<b>1547000</b>	<b>0</b>	<b>1547000</b>	<b>19.36</b>	<b>0.00%</b>
<b>2</b>	<b>Foreign</b>									
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0	0	0	0	0	0
b	Bodies Corporate	0	0	0	0	0	0	0	0	0
c	Institutions	0	0	0	0	0	0	0	0	0
d	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e	Any Others (Specify)	0	0	0	0	0	0	0	0	0
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>1547000</b>	<b>0</b>	<b>1547000</b>	<b>19.36</b>	<b>1547000</b>	<b>0</b>	<b>1547000</b>	<b>19.36</b>	<b>0</b>

<b>(B)</b>	<b>Public shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	0	0	0	0	0	0	0	0	0
(b)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(c)	Central Government/ State Govt(s)	0	0	0	0	0	0	0	0	0
(d)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e)	Insurance Companies	0	0	0	0	0	0	0	0	0
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(g)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	976500	22000	998500	12.49	998500	0	998500	12.49	0.00
(b)	Individuals									
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	10986	311300	322286	4.03	99786	203600	303386	3.80	0.23
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	2248389	2050100	4298489	53.79	3285789	1031600	4317389	54.02	-0.23
(c)	Others (Specify)	825625	0	825625	10.33	825625	0	825625	10.33	0.00
	<b>Sub-Total (B)(2)</b>	<b>4061500</b>	<b>2383400</b>	<b>6444900</b>	<b>80.64</b>	<b>5209700</b>	<b>1235200</b>	<b>6444900</b>	<b>80.64</b>	<b>0.00</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>5608500</b>	<b>2383400</b>	<b>7991900</b>	<b>100.00</b>	<b>6756700</b>	<b>1235200</b>	<b>7991900</b>	<b>100.00</b>	<b>0.00</b>
	<b>TOTAL (A)+(B)</b>	<b>5608500</b>	<b>2383400</b>	<b>7991900</b>	<b>100.00</b>	<b>6756700</b>	<b>1235200</b>	<b>7991900</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>									
1	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
2	Public	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5608500</b>	<b>2383400</b>	<b>7991900</b>	<b>100.00</b>	<b>6756700</b>	<b>1235200</b>	<b>7991900</b>	<b>100.00</b>	<b>0.00</b>

## B. SHAREHOLDING OF PROMOTERS

Sr. No.	Name of the shareholder	Share holding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		Number of shares	% of total Shares of the Company	% of Shares/ Pledged/ encumbered to total shres	Number of shares	% of total Shares of the Company	% of Shares/ Pledged/ encumbered to total shres	
1	MM Fiscal Services Pvt Ltd.	1547000	19.36	0	1547000	19.36	0	0

## C. Change in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of shares	% of total Shares of the Company	Number of shares	% of total Shares of the Company
	<b>At the beginning of the year</b>				
	"Date wise increase/decrease in promoters share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc)"	-----NO CHANGE-----			
	<b>At the end of the year</b>				

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

Sr. No.	For Each of the Top 10 Shareholders	PAN No.	Shareholding at the beginning of the year		Date of increase/decrease in shareholding	Increase/ (Decrease) in shareholding (as per weekly benpos)	% Change	Reason	Cumulative Shareholding during the year	
			Number of shares	% of total Shares of the Company					Number of shares	% of total Shares of the Company
1	R.L Agarwal & Sons Securities Pvt.Ltd.	AAECR5759A	976,500	12.22	01-Apr-20				976,500	12.22
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				976,500	12.22
2	Satish Agarwal	AFKPA9305B	871,500	10.90	01-Apr-20				871,500	10.90
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				871,500	10.90
3	Satish Agarwal HUF	AAAHS8787C	822,500	10.29	01-Apr-19				822,500	10.29
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				822,500	10.29
4	Apoorv Agarwal	ALXPA4366K	402,000	5.03	01-Apr-19				402,000	5.03
					21-Feb-20	518,000	6.48	Transfer	920,000	11.51
					31-Mar-20				920,000	11.51
5	Arpit Agarwal	ALXPA4182D	311,500	3.90	01-Apr-19				311,500	3.90
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				311,500	3.90
6	Ganesh Yadav	AAAPY1934D	102,200	1.28	01-Apr-19				102,200	1.28
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				102,200	1.28
7	Rajiv Ranjan Gupta	ADSPG7561R	100,000	1.25	01-Apr-19				100,000	1.25
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				100,000	1.25
8	Ankul Agarwal	AFUPA0513R	100,000	1.25	01-Apr-19				100,000	1.25
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				100,000	1.25
9	Bajrang Lal Chauhan	ADIPC5549B	87,200	1.09	01-Apr-19				87,200	1.09
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				87,200	1.09
10	Sushil Goel	AAEPG4352K	85,400	1.07	01-Apr-19				85,400	1.07
						NIL MOVEMENT DURING THE YEAR				
					31-Mar-20				85,400	1.07

**E Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Number of shares	% of total Shares of the Company	Number of shares	% of total Shares of the Company
1	Mr. PREM PRAKASH AGARWAL	36400	0.46%	36400	0.46%
2	Mr. ASHOK KUMAR MAHAWAR	29000	0.36%	29000	0.36%
3	Mr. RAMESH AGARWAL	NIL	0.00%	NIL	0.00%
4	Mr. RAJEEV MITTAL	NIL	0.00%	NIL	0.00%
5	Mr. NARESH KUMAR GARG	NIL	0.00%	NIL	0.00%
6	Mr. PANKAJ JAIN	NIL	0.00%	NIL	0.00%
7	Ms. RICHA AGARWAL	NIL	0.00%	NIL	0.00%
8	Mr. HITESH LAKSHMIKANT SOMANI	NIL	0.00%	NIL	0.00%
9	Ms. SHALLU GARG	NIL	0.00%	NIL	0.00%

## V. INDEBTEDNESS

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
TOTAL (i+ii+iii)				
Change in indebtedness during the financial year				
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest dur but not paid				
iii) Interest accrued but not due				
TOTAL (i+ii+iii)				

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No	Particulars of Remuneration	Name of the MD/WTD/ Manager	Total Amount In ₹
		Mr. Ramesh Agarwal	
1	Gross Salary	9,00,000	9,00,000
	(a) Salary as per provisions contained in section 17(1) of the income tax Act, 1961	0	
	(b) Value of perquisites u/s 17(2) income tax Act, 1961	0	
	( c ) Profit in lieu of salary under Section 17(3) Income-Act, 1961	0	
2	Stock Option		
3	Sweat Equity	0	
4	Commission	0	
	as % profit	0	
	other, specify	0	
5	others, please specify	0	
	<b>TOTAL (A)</b>	9,00,000	9,00,000

### B. Remuneration to other Directors

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



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

S. No	Particular of Remuneration	CS		CFO	Total
1	Gross Salary	Diksha Gandhi	Shallu Garg	Mr.Hitesh Laxmikant Somani	
	(a) Salary as per provision contained in section 17(1) of the income tax Act, 1961	2,10,000	82,500	276,000	568,500
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0	0	0	0
	(c) Profit in lieu of salary under section 17(3) income-tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others specify	0	0	0	0
5	Others, Specify	0	0	0	0
	<b>Total</b>	<b>2,10,000</b>	<b>82,500</b>	<b>276,000</b>	<b>568,500</b>

## VII. PENALTIES/PUNISHMENT/COMPUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]
<b>A. COMPANY</b>				
Penalty				
Punishment				
Compounding				
<b>B. DIRECTOR</b>				
Penalty				
Punishment				
Compounding				
<b>C. OTHER OFFICER IN DEFAULT</b>				
Penalty				
Punishment				
Compounding				

### FORM MR-3 SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2020)

[PURSUANT TO SECTION 204(1) OF THE COMPANIES ACT, 2013 AND RULE NO. 9 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

To,  
The Member  
**SRU Steels Limited**  
**(CIN- L17300DL1995PLC107286)**

A-48, 1st Floor, Wazirpur Industrial Area  
New Delhi-110052

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and as produced before us, and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st Day of March 2020, (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SRU Steels Limited ("The Company") and as produced before us for the period ended on 31st Day of March 2020, according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- III. The Depositories and Participant Act, 2018 and the Regulations and Bye-laws framed there under;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment. There was no External Commercial Borrowings by the Company during the period under the review;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (**Not applicable during audit period**)
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (**Not applicable during audit period**)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable during audit period**)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; (**Not applicable to the Company during audit period**)
- (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulation, 2018; (**Not applicable during audit period**)

#### VI. Other laws applicable to the Company

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

#### "Other laws applicable to the Company as per the representations made by the Company"

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with the BSE Limited.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement/ SEBI (LODR), Regulations 2015 etc. mentioned above.

## **We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to all directors at least seven days in advance or within prescribed time as the case may be, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

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

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

adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

## **We further report that, during the audit period:-**

According to the report of Statutory Auditor of the company, the company has prepared its financial statements to comply with Ind-AS.

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

**Anand Kumar Singh  
(Partner)**

**M. No- 24881**

**CP No- 9404**

**UDIN:A024881B000570008**

**Date: August 11, 2020**

**Place: Delhi**

## **Note:**

- This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.***

## 'ANNEXURE A'

To,  
The Member  
**SRU Steels Limited**  
**(CIN- L17300DL1995PLC107286)**  
A-48, 1st Floor, Wazirpur Industrial Area,  
New Delhi-110052

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit to the extent there are shown to us during the Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records, the verification was done on random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Further we follow the norms of The Institute of the Company Secretaries of India in this regard and we rely on the Reports given by Statutory Auditors or other

designated professionals in all financial Laws including financial data's.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

**(Partner)**  
**M. No- 24881**  
**CP No- 9404**

**UDIN:A024881B000570008**

**Date: August 11, 2020**

**Place: Delhi**

### NOMINATION AND REMUNERATION & BOARD DIVERSITY POLICY

#### LEGAL FRAMEWORK

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the rules made there under and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. This policy has been approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

#### DEFINITIONS

For the purpose of this Policy:

- 'Act' shall mean the Companies Act, 2013;
- **'Board'** shall mean the Board of Directors of SRU Steels Limited;
- **'Committee'** shall mean the Nomination and Remuneration committee of the SRU Steels Limited, constituted and reconstituted by the Board from time to time;
- **'Company'** shall mean SRU Steels Limited;
- **'Directors'** shall mean the directors of the Company;
- **'Independent Director'** shall mean a director referred to in Section 149 (6) of the Companies Act, 2013;
- **'Key Managerial Personnel (KMP)'** shall mean the following:
  - i. Executive Chairman and / or Managing Director (MD) and/or Manager
  - ii. Whole-time Director (WTD);
  - iii. Chief Financial Officer (CFO);
  - iv. Company Secretary (CS);
  - v. Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
  - vi. Such other officer as may be prescribed.
- **"Listing Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- **"Nomination and Remuneration Committee"** shall mean the committee of the Board constituted, or reconstituted, as the case may be, in accordance with Section 178 of the Act and the Listing Regulations.
- **"Senior Management"** shall mean personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the executive directors including all functional heads.
- **"Stock Exchange"** shall mean a recognized stock exchange on which the securities of the Company are listed.
- Unless the context otherwise requires, words and expression used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### OBJECTIVE & PURPOSE

The objective and purpose of this Policy are as follows:

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

#### SCOPE OF THE POLICY

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

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

#### CONSTITUTION

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

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

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

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

- 1.1 Letter of appointment shall be issued based on the recommendations of the Committee on the basis of the guidelines for the same under the Companies Act, 2013 or the Company Internal policy.
- 1.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience for appointment to the position of Directors, KMPs & Senior Management.
- 1.3 A potential candidate should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee shall review qualifications,

expertise and experience, as well as the ethical and moral qualities possessed by such person, commensurate to the requirement for the position.

- 1.4 The Company shall not appoint or continue the employment of any person as whole time director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- 1.5 The Committee shall ensure that there is an appropriate induction & training programme in place for new directors, members of senior management, and KMP;
- 1.6 The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the Company subject to the provision of the law and their service contract.
- 1.7 The Committee shall recommend any necessary changes to the Board.

## 2. Term / Tenure:

### I. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director, Executive Director/Whole time Director for a term not exceeding five years at a time.

No re-appointment shall be made earlier than one year before the expiry of term of the Director appointed.

### II. Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for re-appointment in the Company as Independent Director after the expiry of three years from the date of cessation as such in the Company.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and

three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

### 3. Evaluation

The Committee shall carry out the evaluation of performance of the every Director, KMP and Senior Management Personnel at regular interval; but at least once a year.

### 4. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 and rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a director, KMP or senior management personnel or functional heads, subject to the provisions and compliance of the Act, rules and regulations.

### 5. Retirement

The director, KMP, senior management & functional heads shall retire as per the applicable provisions of the Companies Act, 2013 along with the rules made thereunder and the prevailing policy of the Company. The Board will have the discretion to retain the Directors, KMPs & Senior Management even after attaining the retirement age, for the benefit of the Company.

### 6. Diversity on the Board of the Company

The Company aims to enhance the effectiveness of the Board by diversifying it and obtain the benefit out of it by better and improved decision making. In order to ensure that the Company's boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to skills, industry experience, background, race and gender.

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

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

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination based on the following factors:

- Gender- the Company shall not discriminate on

the basis of gender in the matter of appointment of director on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board.

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

## 7. Remuneration

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

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

#### I. Fixed pay:

The MD and/or whole-time director / KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee and the

shareholders wherever applicable. The breakup of the pay scale and quantum of perquisites including, employer's contribution towards provident fund, pension scheme, medical expenses and other perquisites shall be decided and approved by the Board on the recommendation of the Committee.

#### II. Minimum Remuneration:

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

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

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

## MINUTES OF COMMITTEE MEETING

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

## DIRECTOR'S AND OFFICER'S INSURANCE

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

## REVIEW

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

## DISCLOSURE OF THIS POLICY

The policy shall be disclosed in the Annual report of the Company, as required under Section 178 Companies Act, 2013, rules made there under and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time and as may be required under any other law for the time being in force.

## ANNEXURE -V

Statement pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2020

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

S. No	Name of Employees	Designation	Salary (P.A)	Nature of Employment	Experience	Date of Commencement of employment	Age	Previous Employment	% share held in the Company	Whether related to any director
1	Mr. Ramesh Aggarwal	Managing Director	900,000.00	Permanent	41	01/04/2003	68	Nil	Nil	Yes*
2	Ms. Shallu Garg	Company Secretary	300,000.00	Permanent	0.8	26/12/2019	25	Nil	Nil	No
3	Mr. Hitesh Somani	Employee	276,000.00	Permanent	26	23/06/2014	43	Nil	Nil	No
4	Ms. Audesh Kumar Mishra	Employee	240,000.00	Permanent	4	01/10/2018	29	Yes	Nil	No
5	Bablu	Employee	234,000.00	Permanent	3	01/07/2019	26	Nil	Nil	No
6	Jayant	Employee	228,000.00	Permanent	4	01/07/2019	29	Nil	Nil	No
7	Suresh Kumar	Employee	228,000.00	Permanent	5.5	01/07/2019	29	Nil	0.43%	No
8	Ram Kumar	Employee	224,400.00	Permanent	3	01/07/2019	26	Nil	Nil	No
9	Radhe Shyam	Employee	216,000.00	Permanent	7	01/07/2019	32	Nil	Nil	No
10	Ms. Parmeshwar Chaudhary	Employee	180,000.00	Permanent	5	01/11/2018	28	Yes	Nil	No

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

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

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

For and on behalf of  
the Board  
SRU Steels Limited

For and on behalf of  
the Board  
SRU Steels Limited

Place: New Delhi  
Date: August 12, 2020

Ramesh Agarwal  
Managing Director  
DIN: 00151223

Naresh Kumar Garg  
Director & Chairman  
DIN:00986846



## ANNEXURE-VI

### PARTICULARS OF REMUNERATION

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

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

Non - Executive Directors	Ratio of Median Remuneration
Mr. Naresh Kumar Garg, Chairman	-
Mr. Ashok Kumar Mahawar, Independent Director	-
Mr. Rajeev Mittal, Independent Director	-
Mr. Prem Prakash agarwal, Independent Director	-
Mr. Pankaj Jain, Independent Director	-
Ms. Richa Agarwal	-
<b>Executive Directors</b>	
Mr. Ramesh Agarwal, Managing Director	5.56

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

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

Name of Person	% Increase in remuneration
Mr. Naresh Kumar Garg, Chairman	-
Mr. Ashok Kumar Mahawar, Independent Director	-
Mr. Rajeev Mittal, Independent Director	-

Mr. Prem Prakash agarwal, Independent Director	-
Mr. Pankaj Jain, Independent Director	-
Ms. Richa Agarwal	-
Mr. Ramesh Agarwal, Managing Director	-
Mr. Hitesh Laxmikant Somani, CFO	8.24%
Ms. Shallu Garg, Company Secretary	

- (c) **the percentage decrease in the median remuneration of employees in the financial year: 20**

- (d) **the number of permanent employees on the rolls of company: 22**

- (e) **average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2019-20 was 16.25% . There was increase in the managerial remuneration by 8.24%

- (f) The Company hereby affirm that the remuneration is as per the remuneration policy of the Company

For and on behalf of the Board  
SRU Steels Limited

Ramesh Agarwal  
Managing Director  
DIN: 00151223

For and on behalf of the Board  
SRU Steels Limited

Naresh Kumar Garg  
Director & Chairman  
DIN:00986846

Place: New Delhi  
Date: August 12, 2020

## CORPORATE GOVERNANCE REPORT

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

### I. MANDATORY REQUIREMENTS

#### 1. Corporate Governance: Philosophy

SRU Steels believes that sustained growth and shareholder value enhancement can be achieved only with sound Corporate Governance. We strive to ensure that our performance is driven by integrity, values and ethics. Company has guiding principles laid out through its Code of business conduct, duly adopted and adhered to by directors and senior management personnel which has been posted on website of company.

Corporate Governance refers to the systems of rules, practices and processes by which companies are governed. Corporate Governance essentially involves balancing the interests of various stakeholders of the Company, such as shareholders, Senior Management Executives, customers, suppliers, financiers, the Government, and the community. The basic philosophy of Corporate Governance is to achieve business excellence and dedicate itself for increasing long term shareholder value.

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

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

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

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

The Company has been complying with the Corporate Governance requirements, as stipulated under

Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with Stock Exchange.

#### 2. Board of Directors

##### A. Composition of Board:

As on March 31, 2020 Board of Directors of your Company comprises of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The size and composition of the Board meet the requirements of Section 149 of Companies Act, 2013 and Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulation, 2015.

The Board composition of your Company as on 31st March, 2020 comprises of (7) seven directors out of which Six (6) Non-Executive Directors including the Chairman of the Board and One (1) is Executive Director designated as Managing Director.

Out of the above Six Non-Executive Directors, Four are Independent Directors who have been appointed for their professional expertise and experience that they possess. The composition of the Board of the Company is in conformity with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, entered into by the Company with the Stock Exchange/(s).

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

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

- limits, etc.;
- Reviewing statutory matters;
- Strategic acquisition of companies and critical assets;
- Review and adoption of Financial Statements, quarterly and annual financial results;
- Keeping shareholders informed about the plans, strategies and performance; and
- Ensuring 100% investor satisfaction.

The detailed composition and category of the Directors as on 31.03.2020 is as follows:

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

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

## B. Number of Board Meeting

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy and other matters. However, in case of business exigencies/ urgencies resolutions are passed through circulation or additional meetings are conducted.

During the financial year 2019-2020, the members of the Board meet 6 (six) times to review, discuss and decide about the business of the Company

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

Quarter	Date of Board Meeting
April 2019- June 2019	May 30, 2019
July 2019 - September 2019	July 18, 2019 and August 14, 2019
October 2019- December 2019	November 14, 2019 and December 26, 2019
January 2020- March 2020	February 14, 2020

The necessary quorum was present at all the Board Meetings. The maximum gap between any two Board meetings held during the year was not more than one hundred and twenty days. During

the year under review, no meeting was held via video conferencing.

## C. Details of Attendance of Directors at the Board Meeting & Last AGM

Name of the Director	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM
Mr Naresh Kumar Garg	Chairman - Non-Executive Director	06	Yes
Mr Ramesh Agarwal	Managing Director- Executive Director	06	Yes
Mr Rajeev Mittal	Non-Executive & Independent Director	06	Yes
Mr Prem Prakash Agarwal	Non-Executive & Independent Director	06	Yes
Mr Pankaj Jain	Non-Executive & Independent Director	06	Yes
Mr. Ashok Kumar Mahawar	Non-Executive & Independent Director	04	Yes
Mrs Richa Agarwal	Non-Executive Director	05	Yes

Particulars and brief profile of Director retiring by rotation and also seeking re-appointment have been given in the notice for convening the Annual General Meeting.

### i. Information presented at meetings

The Board business generally includes consideration of important corporate actions and events including:

- Quarterly and annual result announcements;
- Oversight of the performance of the business;
- Board succession planning;
- Review of the functioning of the Committees and
- Other strategic, transactional and governance matters as required under the Companies Act, 2013, Listing Regulations and other applicable legislations.

### ii. Information supplied to the Board

The Board has complete access to all information with the Company; inter alia, the information as required under the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 is

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

### iii. Compliance reports of all applicable laws to the Company

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

### D. Other Directorships, Chairmanships Memberships of Committees of each Director in various Public Companies and number of shares of the Company held as at March 31, 2020

Name of the Director Held (as at March 31, 2020)	Number of other Directorships in Indian Public Companies	Committee* Membership in other companies	Committee* Chairmanship in other companies	No. of shares
Mr Naresh Kumar Garg	0	Nil	Nil	Nil
Mr Ramesh Agarwal	0	Nil	Nil	Nil
Mr Rajeev Mittal	0	Nil	Nil	Nil
Mr Prem Prakash Agarwal	0	Nil	Nil	36400
Mr Pankaj Jain	0	Nil	Nil	Nil
Mr Ashok Kumar Mahawar	0	Nil	Nil	29000
Mrs Richa Agarwal	0	Nil	Nil	Nil

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

As mandated by Regulation 17A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 none of the Directors is a Director in more than 8 listed entities or acts as an Independent Director in more than 7 Listed Companies. The Managing Director does not serve as an Independent Director in any Listed Company.

Further as mandated Regulation 26 of SEBI (Listing

Obligations and Disclosure Requirements) Regulations, 2015, none of the directors on the Board is a member of more than ten committee or hold offices as a Chairman of more than five Committees across all the public companies in which he/she is a Director.

### E. Disclosure of Relationship of Director

None of the Director is related inter-se, in terms of Section 2(77) of the Companies Act, 2013, including Rules thereunder. None of the Directors of the Company has any pecuniary relationship with the Company

### F. Independent Director

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

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

### i. Terms and conditions of appointment of Independent Directors

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company at [www.srusteels.in](http://www.srusteels.in)

## ii. Meeting of Independent Directors

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

The Independent Directors of the Company had met during the year on 29th February, 2020 to review the performance of Non-Independent Directors and the Board as whole, review the performance of the Chairman of the Company and has assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

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

## iii. Separate Meeting of Independent Directors

A separate meeting of Independent Directors for the year 2019-2020 was held on 29th February, 2020. All Independent Directors actively participated and provided guidance to the Company in all its spheres. In accordance with the Listing Regulations, following matters were, inter alia, reviewed and discussed in the meeting:

- Performance of Non-Independent Directors and the Board of Directors as a whole.
- Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company

Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## iv. Familiarization programmes for the Independent Director

Your Company has formulated Familiarization Programme for all the Independent Directors in accordance with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Schedule IV of the Companies act, 2013 which provides that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company etc. through various programs for the purpose of contributing significantly towards the growth of the Company.

They are given full opportunity to interact with senior Management personnel and are provided with all the documents required and/ or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part.

The Familiarization Programme conducted for Independent Directors during the FY 2019-2020 may be accessed on the Company's website at the link: [http://srusteels.in/pdfs/FAMILIARISATION\\_PROGRAMME\\_FOR\\_INDEPENDENT\\_DIRECTORS\(1\).pdf](http://srusteels.in/pdfs/FAMILIARISATION_PROGRAMME_FOR_INDEPENDENT_DIRECTORS(1).pdf)

## G. Key Board qualifications, expertise and attributes:

The Board of Directors comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective decisions or contributions to the Board, its committees and the management.

The list of core skills / expertise / competencies identified by the Board of Directors as required in the context of Company's business vertical(s) and those already available with the Board are as follows:

KEY SKILLS AND ITS DESCRIPTION	Area Essentials	PREM PRAKASH AGARWAL	RAJIV RAMCHANDRA MITTAL	RICHA SINGLA	RAMESH AGARWAL	NARESH KUMAR GARG	PANKAJ JAIN	HITESH LAXMIKANT SOMANI	ASHOK KUMAR MAHAWAR
Strategy/ Business Leadership	Strong understanding of Business Model and Leadership	Y	Y	Y	Y	Y	Y	Y	Y
Finance & Accounting	In-depth knowledge / experience in the field of finance and accounting	Y	Y	-	Y	-	Y	Y	-
Industry Skills	Knowledge of the steels industry of the products and the market	Y	Y	Y	Y	Y	Y	Y	Y
Corporate law	Expert knowledge of Corporate Law	Y	-	Y	-	-	-	Y	-
Administration & Government Relations	Good understanding working culture with Govt. Organizations	Y	Y	Y	Y	Y	Y	Y	-

## H. Committees of the Board

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

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

The Board Committee play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas of concern for the Company and need a closer review.

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of various Committees. Details on the role and Composition of these Committees, including the number of meeting held during the financial year and the related attendance are provided below.

### 1. Audit Committee

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

#### i. Brief description of terms of reference of Audit Committee

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

The key responsibilities of the Audit Committee are to assist the Board in fulfilling its oversight responsibilities in relation to: financial reporting; the effectiveness of the system of risk management and robustness of internal financial controls and risk management framework including cyber security, adequacy and effectiveness of the Company's legal, regulatory and ethical compliance & governance programmes, monitoring the qualifications, expertise, resources and independence of both the internal and external auditors; and assessing the auditors' performance and effectiveness each year.

The terms of reference of Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirement)

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

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

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

- Overseeing the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and fixation of audit fees and approval of payment for any other services.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Cost Auditor.
- Evaluation of internal financial controls & risk management systems;
- Approval or any subsequent modification of transactions with related parties;
- Reviewing, with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
  - a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134(5) of the Companies Act, 2013.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. Disclosure of any related party transactions.
  - f. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and other legal requirements relating to financial statements.

- Reviewing, with the Management, the quarterly and annual Financial Statements before submission to the Board for approval.
- Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter.
- Review the appointment, removal and terms of remuneration of Internal Auditors.
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Reviewing with the Management, performance of the Statutory and Internal auditors, adequacy of the Internal Control Systems.
- Reviewing the adequacy of Internal Audit Functions, if any, including the structure of the Internal Audit Department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Approval or any subsequent modification of transactions of the listed entity with related parties
- Discussion with the Internal Auditors any significant findings and follow up thereon.
- Review the Management Discussion and Analysis of Financial condition and results of operations.
- Discussion with the Statutory Auditors, before the Audit commences, about the nature and scope of Audit as well as post audit discussions to ascertain any area(s) of concern.
- Reviewing the Internal Audit Reports relating to internal control weaknesses.
- Carrying out any other function as mentioned in terms of reference of the Audit Committee.
- Reviewing the compliances regarding the Company's Whistle Blower policy.
- Approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background of the candidate.
- To investigate any activity within terms of reference and seek information from any employee.
- To obtain outside legal professional advice and
- Reviewing compliance of legal and regulatory requirements

## ii. Composition & Qualification of Audit Committee

Name	Category of Directorship	Designation in Audit Committee	Qualification & Experience	No. of Meetings Attended
Mr Rajeev Mittal	Non-Executive & Independent Director	Chairman	Rajeev Mittal, the director of SRU Steels Limited brings with him a tremendous amount of knowledge, experience, foresight and vision. He is graduate and having 30 years of experience in varied fields, he combines a strong comprehension of domestic business with innovative fundamental vision that aligns SRU Steels Limited towards a new dawn in integrated management systems.	05
Mr Prem Prakash Agarwal	Non-Executive & Independent Director	Member	He is an Independent Director of the Company. He has been an integral part of the industry and having rich knowledge of Steel trading business. Over more than 29 years of experience in finance and Accounts.	05
Mr Pankaj Jain	Non-Executive & Independent Director	Member	He is an Independent Director of the Company. He is Graduate & having 19 years of experience in the field of Real Estate development and construction. He is having a wide knowledge of Stainless Steel.	05

### iii. Meetings of Audit Committee

During the financial year 2019-20, Five (5) meetings of Audit Committee were held:

Quarter	Date of Meeting	Number of Members Present	Number of Independent Directors Present
April 2019 - June 2019	May 30, 2019	03	03
July 2019 - September 2019	July 18, 2019 August 14, 2019	03	03
October 2019 - December 2019	November 14, 2019	03	03
January 2020 - March 2020	February 14, 2020	03	03

The Internal Auditors and Statutory Auditors are invitees to the Audit Committee Meetings.

Ms. Shallu Garg, Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 30, 2019.

## 2. Stakeholders' Relationship Committee

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

- Resolving the grievances of the security holders of the entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review of measures taken for effective exercise of voting rights by shareholders of the Company;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company.
- Initiatives for registration of e-mail IDs, PAN & Bank mandates and demat of shares;
- Review shareholding distribution;
- Review movement in shareholding pattern;
- Comparative details on demat and physical holding.
- In addition, the Committee looks into other issues including status of dematerialization/ re-materialization of shares, transfer/transmission

as well as systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

- During the year 2019-20, the Committee met on June 20, 2019, August 22, 2019, December 26, 2019 and March 17, 2020 and oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in quality of investor service. The Committee also looks into redressal of shareholder's/investors complaints..

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

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

### b) Name, Designation and Address of Compliance Officer

Ms Shallu Garg  
Company Secretary & Compliance Officer,  
SRU Steels Limited  
A-48, 1st Floor, Wazirpur Industrial Area  
Delhi-110052

### c) Complaint Status

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

At the beginning of the year, no complaint was pending. There were no outstanding complaints as on March 31, 2020.

Terms of reference of the Committee, inter-alia, include:

- Review, on periodic basis, status of grievances relating to transfer, transmission of shares, and issue of duplicate shares;
- Monitor expeditious redressal of Investors' grievances;
- Review instances of non- receipt of Annual Report and declared dividend and
- Consider all matters related to all security holders of the Company.

## 3. Nomination & Remuneration Committee

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



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

Ms Shallu Garg, Company Secretary, acts as the Secretary to the Committee.

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

The roles and responsibilities of the Committee covers the area as specified in the Listing Regulations, Companies Act, 2013 and other applicable laws, if any, besides other role and powers entrusted upon it by the Board of Directors from time to time. The roles and responsibilities of the Committee include the following:

- Identifying candidates for Directorships, evaluation of the performance of the Directors, determination of remuneration to be paid to the Directors, Key Managerial Personnel and other employees of the Company;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees.
- Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- Formulate and recommend to the board, policy relating to remuneration of directors, key managerial personnel and other employees;
- Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for an appointment;
- Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- The Committee also oversees the Company's nomination process for key leadership positions, specifically at the Board level.
- The committee shall approve the remuneration payable to the executives of the Company for each financial year. The Committee shall also review, appraise and approve such other matter(s) as the board may recommend to it.

**a. Composition of Nomination & Remuneration Committee:**

Name	Category of Directorship	Designation in Committee
Mr Prem Prakash Agarwal	Non-Executive & Independent Director	Chairman
Mr Pankaj Jain	Non-Executive & Independent Director	Member

Mr Ashok Kumar Mahawar	Non-Executive & Independent Director	Member
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Four meeting of the Committee were held during the year under review and the same were attended by all the members of Committee.

**b. Dates & no. of meetings of Nomination and Remuneration Committee held during the year under member's attendance thereon:**

Quarters	Date of Meeting	Members Present	Number & Name of Directors Present
April 2019- June 2019	May 30, 2019	03	Nil
July 2019- September 2019	August 14, 2019	03	Nil
October 2019- December 2019	December 26, 2019	03	Nil
January 2020- March 2020	February 14, 2020	03	Nil

**c. Policy on Board Diversity**

Pursuant to the provisions of the Companies Act, 2013 and under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the following remuneration policy is framed and adopted:

The Broad objectives of the Policy are:

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

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

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

**d. Remuneration Policy:**

Pursuant to the provisions of the Companies Act, 2013 and under the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the remuneration policy is framed and adopted. The remuneration paid to Executive Directors of the

Company is approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee. The Company's remuneration strategy is market-driven and aims at attracting and retaining high caliber talent.

The Broad objectives of the Policy are:

- i. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in senior management of the Company in accordance with the criteria laid down;
  - ii. To lay down criteria for determining qualification, positive attributes and Independence of a Director;
  - iii. To lay down criteria relating to remuneration of directors, key managerial personnel and other employees;
  - iv. To retain, motivate and promote exceptional talent and to ensure long term sustainability of the talented managerial persons and create competitive advantage;
  - v. To promote and welcome diversity, equal opportunities and gender mix in the Board composition with due recognition and weightage to the skills, experience and business acumen of the directorship candidatures.
- e. Particulars of Directors' Remuneration during the financial year 2019-2020:**

The details of remuneration paid to the Directors during the year ended March 31, 2020, are given below:

Directors	Salary (₹)	Perquisites (₹)	Sitting Fees (₹)	Total Amt in (₹)
Mr. Ramesh Agarwal (MD)	9,00,000	-	-	9,00,000
Mr. Prem Prakash Agarwal	-	-	-	-
Mr. Pankaj Jain	-	-	-	-
Mr. Naresh Kumar Garg	-	-	-	-
Mr. Rajiv Mittal	-	-	-	-
Mr. Ashok Kumar Mahawar	-	-	-	-
Ms. Richa Agarwal	-	-	-	-
<b>Total</b>	<b>9,00,000</b>	<b>-</b>	<b>-</b>	<b>9,00,000</b>

Remuneration of the Executive Directors consists of a fixed component and a variable performance incentive. The Nomination and Remuneration Committee makes annual appraisal of the performance of the Executive Directors based

on a detailed performance evaluation, and recommends the remuneration payable to them, within the parameters approved by the shareholders, to the Board for their approval.

As per the term of appointment, the notice period of directors is of three months.

Further, the Non-Executive Directors and Independent Directors are not entitled to any stock options.

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

As required under Section 134 (3) (p) of the Companies Act, 2013, and regulation 17 (10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

Evaluation of the Board and its Committees is based on various aspects of their functioning, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., are in place. Similarly, for evaluation of individual Director's performance, various parameters like Director's profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc., are considered.

Further, the performance of the Board, its Committees and individual directors was evaluated by the board after seeking inputs from all Directors. The performance of the committees was evaluated by the Board after seeking inputs from the committee members. The Nomination and Remuneration Committee reviewed the performance of the Individual Directors.

As required under Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Board assessed the performance of the Independent Directors, individually and collectively as per the criteria laid down and on an overall assessment, the performance of independent directors was found noteworthy. The Board has therefore recommended the continuances of the Independent Directors on the Board of the Company. The Board has evaluate the performance of the independent directors on the parameters such Qualification, knowledge, experience, initiate, attendance, concerns for the stakeholders, leadership, team work attributes, effective interaction, willing to speak up, high governance standard, integrity, relationship with management, Independent views and judgement.

Further, the Board and each of the Directors had evaluated the performance of each individual director on the basis of above criterion.

The Board of Directors assessed the performance of the Board as whole and committees of the Company based on the parameters which amongst other included structure of the Board, including qualification, expectance and competency of the Directors, diversity of the Board and process of appointment; Meeting of the Board, including regularity and frequency, agenda, discussion and dissent, recording of the minutes, functions of the Board, including strategy and performance evaluation, corporate culture and value, evaluation of risks, succession plan, focus on the shareholders' value creation, effectiveness of Board process, governance and compliance and meaning full communication, high governance standard, knowledge of business, openness discussion/integrity and information and functioning and quality of relationship between the Board and management.

The nomination and remuneration Committee & Audit Committee has also reviewed and considered the collective feedback of the whole of evaluation process. The Directors were satisfied with the evaluation results which reflected the overall management and effectiveness of the Board and its Committees.

#### J. General Body Meetings:

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

##### i. Annual General Meetings:

Financial Year	Location and Time	Special Resolutions passed
2018-2019	30th September, 2019 at 11:00 A.M. at Ground Floor, Khasra No 21/5, Nangli Poona, North West Delhi, Delhi-110036	5 (Five) Special Resolutions were passed in this meeting.
2017- 2018	29th September, 2018 at 10.00 A.M. at at A-48, 1st Floor, wazirpur Industrial Area, Delhi-110052	1 (One) Special Resolutions were passed in the meeting.

2016- 2017	29th September, 2017 at 10.00 A.M. at 416-417-432, Rajendra Jaina Tower-1, Plot No. 18, Wazirpur Shopping Complex, Delhi-110052	No Special Resolutions were passed in this meeting.
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##### ii. Postal Ballot

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

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

No EGM was held during the Financial Year 2019-2020.

#### K. Means of Communication

Your Company recognizes communication as a key element of all the overall corporate Governance Framework. Therefore emphasis on prompt, continuous, efficient and relevant communication to all the external constituencies:

**Financial Results:** The financial results of the Company are published in widely circulated national dailies such as The Financial Express, English newspaper and The Jansatta, Hindi newspaper.

**New Releases/ Presentation:** Information at the time of declaration of results is also sent to all stock exchanges where the shares of the Company are listed for trading. The Company's annual report containing, inter alia, audited annual accounts, directors' report, auditors' report, management discussion analysis and other important information is circulated to all the members and are displayed at the Company's Website [www.srusteels.in](http://www.srusteels.in)

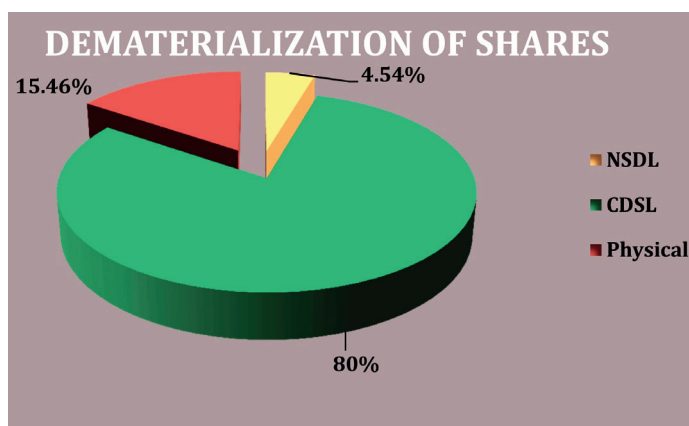
**Website:** All the above results and documents are also displayed on Company's official website [www.srusteels.in](http://www.srusteels.in)

#### L. General Shareholder Information:

<b>Annual General Meeting (Date, Time &amp; Venue)</b>	30th September, 2020: Time: 2:30 P.M. IST; Being held through video conferencing and Other Audio Visual Means (VC/OAVM)
<b>Financial Year</b>	1st April 2019 - 31st March 2020
<b>Date of Book Closure</b>	Thursday, September 24, 2020 to Wednesday, 30th September, 2020
<b>Dividend Record (Last three years)</b>	Financial Year 2018-2019 NIL Financial Year 2017-2018 NIL Financial Year 2016-2017 NIL

<b>Dividend for Financial Year 2019-2020</b>	The Company has not recommended any dividend.	<b>Permanent Account Number (PAN) for transfer of shares in physical form</b>	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.																								
<b>Listing on Stock Exchanges</b>	Shares of the Company are listed on BSE Limited w. e f 2nd February, 2018 Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 Listing fees for the Financial Year 2020-2021 has been duly paid		<b>Reconciliation of Share Capital Audit</b>	Reconciliation of Share Capital Audit is conducted on quarterly basis by a Qualified Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL) with the total issued and listed Capital. The Report is submitted to the Board of Directors and to the concerned Stock Exchanges where the shares of the Company are listed for trading. As required under Regulation 7(3) of the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, it has submitted a compliance certificate to the Stock Exchanges, duly signed by the Compliance officer of the company and authorised representative of the RTA i.e. M/s Beetal Financial Computer Services (P) Ltd. Certifying compliance that all activities in relation to both physical and electronic share transfer facility are maintained by the Registrar and Share transfer Agent registered with SEBI.																							
<b>Scrip Code</b>	540914			<b>Dematerialization of Shares</b>	The Company's shares are available for dematerialisation on both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL). (i) Dematerialization of Shares as on 31st March, 2020.																						
<b>ISIN NO.</b>	INE425C01017				<table border="1"> <thead> <tr> <th>Particular</th> <th>Number of Shares</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>Dematerialization:</td> <td></td> <td></td> </tr> <tr> <td>NSDL</td> <td>363180</td> <td>4.544</td> </tr> <tr> <td>CDSL</td> <td>6393520</td> <td>80.00</td> </tr> <tr> <td><b>Sub-Total:</b></td> <td><b>6756700</b></td> <td><b>84.544</b></td> </tr> <tr> <td>Physical:</td> <td>1235200</td> <td>15.456</td> </tr> <tr> <td><b>Total:</b></td> <td><b>7991900</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>		Particular	Number of Shares	Percentage (%)	Dematerialization:			NSDL	363180	4.544	CDSL	6393520	80.00	<b>Sub-Total:</b>	<b>6756700</b>	<b>84.544</b>	Physical:	1235200	15.456	<b>Total:</b>	<b>7991900</b>	<b>100.00</b>
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<b>Financial Calendar 2020-21 (Tentative &amp; Subject to Change)</b>	1. First Quarter results – 12th August, 2020 2. Second Quarter results – 2nd week of November, 2020. 3. Quarter results – 2nd week of February 2021 4. Audited yearly & forth quarterly results for the year and quarter ended March 31, 2021 - Last week of May 2021																										
<b>Registrar &amp; Transfer Agents (both for Electronic &amp; Physical Segment)</b>	Beetal Financial & Computer Services (P) Ltd 3rd Floor, 99 Madangir, BH-Local Shopping Complex Near Dada Harsukhdas Mandir, New Delhi-110062 Contact Person: Sh .Bhuwendra Jha																										
<b>Share Transfer Systems</b>	SEBI has mandated that, effective April 1, 2019; no share can be transferred in physical mode. Hence, the Company has stopped accepting any fresh lodgment of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialize their holding in the Company. The communication, inter alia, contained procedure for getting the shares dematerialized. Shareholders holding shares in physical form are advised to avail the facility of dematerialization. As per the requirement of Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the half yearly certificates from the Company Secretary in practice for due compliance of share transfer formalities.																										

<b>Secretarial Audit</b>	Pursuant to Section 204 of the Companies Act, 2013, the Company has appointed M/s Anand Nimesh & Associates, Companies Secretaries as Secretarial Auditor of the Company to conduct the Secretarial Audit of the Company for the financial year 2019-20.
<b>Outstanding GDRs</b>	There are no outstanding GDRs/ ADRs/ Warrants or any other convertible instruments.
<b>Regd. Office :</b>	A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052
<b>Address for Correspondence:</b>	A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052
<b>Credit Rating</b>	The Company has not availed any credit Rating facility during the year. The Company does not have any fixed deposit programme nor has any proposal involving mobilisation of funds in India or abroad.
<b>Compliance Officer</b>	Ms. Shallu Garg (Company Secretary) Tel :011-27373622; E-Mail : srusteels@yahoo.in Website: www.srusteels.in The Company has designated an e-mail id viz. srusteels@yahoo.in and shallu.garg@srusteels.in to enable the investors to register their complaints/ suggestions/queries, if any.



## M. Disclosures

### 1) Disclosures of Related Party Transactions

The Company has formulated a policy on related party transactions in terms of Regulation 23(1) of SEBI (LODR) Regulations, 2015.

During the Financial Year 2019-20, there were no such Related Party Transactions, either as per Companies Act, 2013 or Listing Regulations which were required to be approved by the Board of Directors or the shareholders of the Company. Further, there were no materially significant related party transactions of the company of

material nature, with promoters, the Directors or Management or relatives etc. that may have potential conflict with the interests of Company at large.

A confirmation as to compliance of Related Party Transactions as per Listing Regulation is also sent to the Stock Exchange after the publication of standalone financial result for the half year.

Transactions with related parties are disclosed in Note no. 35 of the Financial Statements. Weblink of policy dealing with related party transactions is available at [http://www.srusteels.in/pdfs/related%20party%20Policy%20\\_SRU.pdf](http://www.srusteels.in/pdfs/related%20party%20Policy%20_SRU.pdf)

### 2) Details of Compliances/ Non compliances by the Company with applicable Laws

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

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India (SEBI) and other statutory authorities on all matters relating to capital markets.

### 3) Disclosure regarding appointment/ re-appointment of directors

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

### 4) Reconciliation of Share Capital Audit:

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

As required under Regulation 7(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company has submitted a compliance certificate to the exchange duly signed by the Compliance Officer and the authorised representative of Share Transfer Agent viz. M/s

Beetal Financial & Computer Services Private Limited to the Stock Exchange on 29 April, 2020 for the half year ended March 31, 2020 certifying compliance that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with SEBI.

**5) Vigil Mechanism/Whistle Blower Mechanism**

In terms of Section 177(9) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism/Whistle Blower policy as recommended by the Audit Committee has been adopted by the Board of Directors of the Company. The policy provides 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. The policy has also been displayed on the Company's website.

Your Company has in place a Whistle-Blower Policy, as part of vigil mechanism and can be accessed at <http://www.srusteels.in/pdfs/Vigil%20Mechanism.pdf>.

**6) Management & Discussion Analysis Report:**

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

**7) Subsidiary Companies**

The Company does not have any Subsidiary for the financial year ended 31 March, 2020.

**8) Compliance Certificate from M/s Anand Nimesh & Associates, Company Secretaries on Corporate Governance**

The certificate from Practicing Company Secretary issued as per requirements of Listing Regulations, confirming that none of the Directors in the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Companies by SEBI/ Ministry of Corporate Affairs or any such statutory authority is attached to this Report.

**9) Adoption of Mandatory and discretionary requirements of the Corporate Governance as specified in the Listing Regulation 17 to 27 and Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

The Company has complied with all the mandatory requirements of the Corporate Governance mandatory with respect to Regulation 17 to 27 of the SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015. The non-mandatory have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

The Company has complied with the requirements of Part C(Corporate Governance Report) of Sub-Paras (2) to (10) of Schedule V of the Listing Regulations.

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the Listing Regulations and necessary disclosures thereof have been made in this Corporate Governance Report.

**10) Code for Prevention of Insider Trading Practices**

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

Based on the recent amendments in the SEBI (Prevention of Insider Trading Regulations), 2015, the company has revised the "Code of Conduct for Prevention of Insider Trading" of the Company. Company Secretary is the Compliance Officer for the purpose of this code. During the year, there has been due compliance with the code by the Company and all insiders and requisite disclosures were made to the Stock Exchanges from time to time.

The Company has now adopted the new amended SEBI's (Prevention of Insider Trading) Regulations, 2015 duly approved by the Board of Directors at its meeting in term of which the Code of Practices Procedure for fair disclosure unpublished price sensitive information and the Code of Internal procedure and conduct for regulation, monitor and report of trading in the Securities for the designated employees and the connected persons have been adopted and have been posted on the Company's website <http://www.srusteels.in/codeofconduct.html>.

**11) Risk Management**

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

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

The Company has complied with all the mandatory requirements stipulated under the SEBI (Listing Obligations & Disclosure Requirements

Regulations, 2015. The Company has also adopted non-mandatory requirements to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

## 12) Disclosure of Accounting Treatment

The Ministry of Corporate Affairs (MCA), vide its notification in the official gazette dated February 16, 2015, notified the Indian Accounting Standards (IND AS) applicable to certain classes of Companies. INDAS has replaced the existing Indian GAAP prescribed under section 133 of the Companies (Accounts) Rules, 2014.

The Company has adopted Indian Accounting Standards ("IndAS") from April 01, 2017 (transition date to IND AS is April 01, 2016) and the financial Statements have been prepared in accordance with recognition and measurement principal of Indian Accounting Standards ("IND AS") as prescribed under the Companies (Indian Accounting Standards) Rules, 2015, as specified in section 133 of the Companies Act, 2013. The Annual Accounts for the year ended March 31, 2020 have been prepared in accordance to Indian Accounting Standard (IND AS).

There is no explanation required to be given by the management, as per Regulation 34(3) read Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

## 13) There were no instances where the Board had not accepted any recommendation of any committee during the financial year.

## 14) Proceeds from the public issue/rights issue/preferential issues etc

There was no public issue/ right issue/preferential issue etc. made by your Company during the financial year 2019-20

## 15) Disclosure on Commodity Price Risks or Foreign Exchange Risk and Hedging Activities

The Company has prudently sailed through the changed environment and swiftly transitioned into the new regime through a collaborative engagement with different stakeholders in the supply chain.

The Company is subject to market risk with respect to commodity price fluctuations in a wide range of materials which are drawn from the agriculture. The Company hedges exposure to commodity risks through a judicious mix of long term contracts in seasonal items and strategic buying initiatives in other commodities. The Company has a robust governance framework/mechanism in place to ensure that the Company is effectively safeguarded from the market volatility in terms of price and availability.

As regards foreign exchange risks, keeping in

view the position of rupee in the market vis-a-vis foreign currency, the Company has been taking natural hedge to the extent of foreign debtors and rest of the loan in foreign current is unhedged.

## 16) Code of Conduct for the Board of Directors and Senior Management Personnel

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 of Directors has adopted Code of Conduct, applicable to Directors and to Senior Management Personnel of the Company.

The Company has obtained declarations from all its Directors and Senior Management Personnel affirming their compliance with the applicable Code of Conduct. The declaration by the Managing Director under Schedule V sub-clause (D) Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 affirming compliance of the Code of Conduct by all members of the Board and the Senior Management Personnel for the year ended 31 March, 2020 is attached to this Corporate Report.

The code has also been displayed on the Company's website <http://srusteels.in/pdfs/Code%20of%20Conduct%20for%20board%20members%20and%20senior%20personnel.pdf>

## 17) Fees to Statutory Auditors

Total fees for all services paid by the listed entity to the statutory auditor are mentioned in Notes to Accounts.

## 18) Strictures and Penalties

There were no instances of non-compliance by the Company or any penalties or strictures imposed on the Company by stock exchanges with regards to inadvertently non filling of investor complaints for the year ended March 31st 2020.

## 19) Policy for determining 'material' subsidiaries

As required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to form a policy on material subsidiaries as the company does not have any subsidiaries

## 20) Disclosure on demat Suspense Account unclaimed Suspense Account

There are no shares which lying in the demat suspense Account and Unclaimed Suspense Account.

## 21) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition

and Redressal) Act, 2013 is as under:

S. No	Particulars	No. of Complaints
1.	Number of complaints filed during the financial year	Nil
2.	Number of complaints disposed of during the financial year	Nil
3.	Number of complaints pending as on end of the financial year	Nil

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has constituted an Internal Complaints Committee. During the year 2019-20, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

- 22) The SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, vide its Regulation 46(1) stipulated that the company should maintain a functional website containing the basic information about the company and to update the contents of the said website periodically. In pursuance to this clause, the Company updates its website with all relevant information as envisaged in the said regulation and as per the provision of the companies Act, 2013. The website of the company may be accessed at <http://www.srusteels.in>.
- 23) In Pursuant to Regulation 31 of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015, 100% of the shareholding of the promoter and promoter group has been dematerialized and all the shares are held dematerialized mode to allow the shares of the company to be traded in the Stock Exchanges in the normal segment.

#### N. Discretionary Requirements

As required under Regulation 27(1) read with Part –E of Schedule II the details of discretionary requirements are given below:

##### i. The Board

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

##### ii. Shareholders Rights

The quarterly/half yearly un-audited results of the Company after being subjected to a

Limited Review by the Statutory Auditors are published in newspapers and on the Company's website [www.srusteels.in](http://www.srusteels.in).

These results are not sent to shareholders individually.

##### iii. Unmodified Opinion(s) in Audit Report

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

##### iv. Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

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

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

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

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

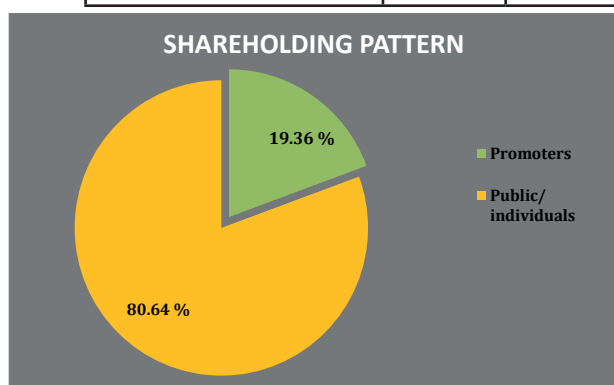
#### 25) Distribution of Shareholdings as on March 31, 2020:

Range (in Shares)		No. of Share-holders	No. of Shares	% of Total
From	To			
1	5000	30	8711	0.11
5001	10000	48	47200	0.60
10001	20000	5	9600	0.12
20001	30000	1	3000	0.03
30001	40000	7	26600	0.33
40001	50000	3	15000	0.19
50001	100000	13	108700	1.36
100001	And above	63	7773089	97.26
<b>Total</b>		<b>170</b>	<b>7991900</b>	<b>100.00</b>



## Shareholding Pattern of the Company as on March 31, 2020:

Category	No. of Shares	%
Promoters	1547000	19.36
Banks, Financial Institutions & FIs	NIL	-
Bodies Corporate	NIL	-
Non Resident Indians	NIL	-
GDR	NIL	-
Public/ individuals	6444900	80.64
<b>Total</b>	<b>7991900</b>	<b>100.00</b>



\* No pledge has been created on the shares held by promoters or promoter group as on March 31, 2020.

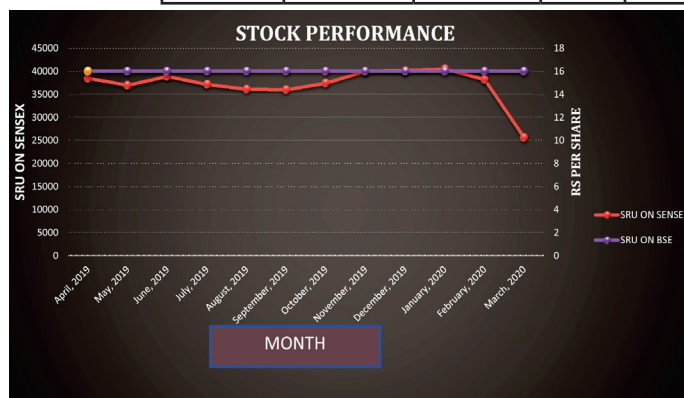
## List of Top 10 Shareholders (other than Promoters) as on March 31, 2020

S. No.	Name of the Shareholder	Number of shares
1.	R.L Agarwal & Sons Securities Pvt. Ltd.	976500
2.	Mr. Apoorv Agarwal	920000
3.	Mr. Satish Agarwal	871500
4.	Mr. Satish Agarwal HUF	822500
5.	Mr. Arpit Agarwal	311500
6.	Mr. Ganesh Yadav	102200
7.	Mr. Rajiv Ranjan Gupta	100000
8.	Mr. Ankul Agarwal	100000
9.	Mr. Bajrang Lal Chauhan	87200
10.	Mr. Sushil Goel	85400
	<b>Total</b>	<b>4376800</b>

## Market Price Data Monthly High and Low quotation of shares traded on BSE during the year 2019-20.

Month End	Sensex		SRU Steels	
	High	Low	High	Low
April, 2019	39487.45	38460.25	19.20	16
May, 2019	40124.96	36956.1	19.20	16
June, 2019	40312.07	38870.96	19.20	16
July, 2019	40032.41	37128.26	19.20	16
August, 2019	37807.55	36102.35	19.20	16

September, 2019	39441.12	35987.8	19.20	16
October, 2019	40392.22	37415.83	19.20	16
November, 2019	41163.79	40014.23	19.20	16
December, 2019	41809.96	40135.37	19.20	16
January, 2020	42273.87	40476.55	19.20	16
February, 2020	41709.3	38219.97	19.20	16
March, 2020	39083.17	25638.9	19.20	16



## 26) Compliance Certificate from Practicing Company Secretary on Corporate Governance

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

## 27) SEBI Complaints Redress System (SCORES)

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

The above report has been placed before the Board at its meeting held on August 12, 2020 and the same was approved.

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

Ramesh Agarwal  
Managing Director  
DIN: 00151223

Place: New Delhi  
Date: August 12, 2020

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members of  
**SRU Steels Limited**  
A-48, 1st Floor, Wazirpur Industrial Area  
New Delhi-110052

1. This report contains details of compliance of conditions of corporate governance by **SRU Steels Limited** ('the Company') for the year ended 31st March, 2020 as stipulated in regulation 17-27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

2. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditor's Responsibility**

3. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March, 2020.
5. We conducted our examination in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India (ICSI). **Opinion**
6. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
7. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

8. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For AnandNimesh & Associates**  
Company Secretaries

**Anand Kumar Singh**  
(Partner)

**M. No. 24881**

**COP No: 9404**

**UDIN: A024881B000569348**

**Date: August 11, 2020**

**Place: New Delhi**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members  
**SRU Steels Limited**  
A-48, 1st Floor, Wazirpur Industrial Area  
New Delhi-110052

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SRU Steels Limited**, having CIN **L17300DL1995PLC107286** and having registered office at A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs, or any such other Statutory Authority.

**Details of the Directors are as under:**

S. No	Name of Director	DIN No	Date of Appointment in Company
1.	Mr. Prem Prakash Agarwal	00081871	01/01/2007
2.	Mr. Rajiv Ramchandra Mittal	00082115	30/06/2001
3.	Mrs. Richa Agarwal	00082722	23/06/2014
4.	Mr. Ramesh Agarwal	00151223	01/04/2003
5.	Mr. Naresh Kumar Garg	00986846	03/10/2006
6.	Mr. Pankaj Jain	01234804	01/01/2007
7.	Mr. Ashok Kumar Mahawar	02600539	01/05/2009

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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 Anand Nimesh & Associates**  
**Company Secretaries**  
**Anand Kumar Singh**  
**(Partner)**  
**M. No. -24881**  
**COP No.: 9404**  
**UDIN: A024881B000569370**

**Date: August 11, 2020**  
**Place: New Delhi**

**COMPLIANCE CERTIFICATE TO THE BOARD PURSUANT TO REGULATION 17(8) OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To

Board of Directors

**SRU STEELS LIMITED**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of SRU Steels Limited (the company), to the best of our knowledge and belief certify for the financial year ended 31st March, 2020 that:

- (a) We have reviewed the IND-AS financial statements and the cash flow statement for the year ended 31st March, 2020 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 accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) Significant changes in internal control over financial reporting during the year;
- (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (ii) That no instances of significant fraud have come to our notice.

By the order of the Board  
For SRU Steels Limited

By the order of the Board  
For SRU Steels Limited

Ramesh Agarwal  
Managing Director

Hitesh Laxmikant Somani  
Chief Financial Officer

Place: New Delhi

Date: August 12, 2020

**DECLARATION BY MANAGING DIRECTOR UNDER PARA D OF SCHEDULE V OF THE SEBI (LISTING  
OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015, REGARDING THE COMPLIANCE WITH  
CODE OF CONDUCT**

To

The Members of

**SRU Steels Limited**

I, Ramesh Agarwal, Managing Director of the Company, hereby certify that the members of the Board of Directors and Senior Management Personnel have affirmed compliance with code of conduct adopted by the Company for the financial year ending 31st March, 2020 in terms of Regulation 34(3) of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

By the order of the Board  
For SRU STEELS LIMITED

Ramesh Agarwal  
(Managing Director)  
DIN: 00151223

Place: New Delhi

Date: August 12, 2020

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

This Management Discussion & Analysis report presents the key performance highlights of the year 2019-20, pertaining to the Company's business. To avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below a composite summary of performance of the business and functions of the Company. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (IndAS), complying with the requirements of the Company's Act, 2013 and the guidelines issued by Securities and Exchange Board of India (SEBI).

The unprecedented onset of Covid-19 pandemic has heavily impacted the global economy. The pandemic is raging high across the world with rising human casualties. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. As a result of the pandemic, the global economy is projected to contract sharply by 4.9% in 2020, much worse than during the 2008-09 financial crises.

SRU Steels Limited has also announced shut down of its operations at office of the company and other establishments during the lockdown announced by the government and resumed its operations on May 23, 2020 with the compliances of all the rules and regulations as per the Government directives.

### OUTLOOK

The COVID-19 pandemic is likely to have a major negative impact across the world. It has led to quarantines, regional lockdowns and social distancing which are essential to contain the virus with particularly acute effects on sectors that rely on social interactions such as travel, hospitality, entertainment, and tourism. Layoffs, lower incomes, fear of contagion, and heightened uncertainty make people spend less triggering further business closures and job losses. Health care expenditure, support to vulnerable sections of society and reduced tax revenue is likely to put severe pressure on fiscal balances of the government.

In such a scenario, as per IMF the Indian economy is expected to decline by 4.5% for 2020 as compared to growth outlook of 5.8% given by IMF in January 2020. Some of the developed economies are expected to decline even more significantly – USA is expected to decline by 8.0% and Europe by 10.2% during 2020.

### CAUTIONARY STATEMENT

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

### STEEL INDUSTRY IN INDIA

India was the second largest steel producer with production standing at 106.5 MT in 2018. The growth in the Indian steel

sector has been driven by domestic availability of raw materials such as iron ore and cost-effective labour.

Consequently, the steel sector has been a major contributor to India's manufacturing output. India's steel production capacity has expanded to 137.975 million tones in FY19. India surpassed Japan to become the world's second largest steel producer in 2019, with crude steel production of 111.2 million tonnes.

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

Indian steel industries are classified into three categories such as major producers, main producers and secondary producers.

The Indian steel industry, after recovering from the twin shocks of demonetization and the Goods and Services Tax (GST) reform, was on a fast track growth curve, especially in the latter part of the year-19-20. However, the COVID-19 has put a lot of uncertainty in the steel industry in the world, and more so in India, due to the lockdown announcement towards end of March.

A decline in the steel output in China, which is India's largest supplier of finished steel and steel products, has roiled the domestic market. Major domestic companies are now looking for suppliers in alternative markets such as Turkey and Brazil.

At one end, steel companies are facing logistics issues, at the other, demand is lower as most of the user industries were reeling from the impact of the lockdown. Many automakers had suspended production indefinitely in the wake of the virus outbreak. Construction, too, had come to a standstill.

### GOVERNMENT INITIATIVES

Some of the other recent government initiatives in this sector are as follows:

- Government introduced Steel Scrap Recycling Policy aimed to reduce import.
- An export duty of 30 per cent has been levied on iron ore<sup>^</sup> (lumps and fines) to ensure supply to domestic steel industry.
- Government of India's focus on infrastructure and restarting road projects is aiding the boost in demand for steel. Also, further likely acceleration in rural economy and infrastructure is expected to lead to growth in demand for steel
- The Union Cabinet, Government of India approved the National Steel Policy (NSP) 2017, as it intend to create a globally competitive steel industry in India. NSP 2017 envisage 300 million tonnes (MT) steel-making capacity and 160 kgs per capita steel consumption by 2030-31.
- The Ministry of Steel is facilitating setting up of an industry driven Steel Research and Technology Mission of India (SRTMI) in association with the public and private sector steel companies to spearhead research and development activities in the iron and steel industry at an initial corpus of Rs 200 crore (US\$ 30 million).

- The Government of India raised import duty on most steel items twice, each time by 2.5 per cent and imposed measures including anti-dumping and safeguard duties on iron and steel items.

## INVESTMENTS

The National Steel Policy, 2017 envisage 300 million tonnes of production capacity by 2030-31. The per capita consumption of steel has increased from 57.6 kgs to 74.1 kgs during the last five years.

Huge scope for growth is offered by India's comparatively low per capita steel consumption and the expected rise in consumption due to increased infrastructure construction and the thriving automobile and railways sectors.

Steel industry and its associated mining and metallurgy sectors have seen a number of major investments and developments in the recent past.

According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), the Indian metallurgical industries attracted Foreign Direct Investments (FDI) to the tune of US\$ 11.45 billion in the period April 2000–December 2019.

Some of the major investments in the Indian steel industry are as follows:

- JSW Steel set a target of supplying around 1.5 lakh tonne of TMT Rebars to metro rail projects across the country. In June 2018, the company had announced plans to expand the plant's production capacity to 13 MTPA by 2020 with an investment of Rs 7,500 crore (US\$ 1.12 billion).
- GFG Alliance acquired AdhunikMetaliks and its arm Zion Steel for Rs 425 crore (US\$ 60.81 million), marking its entry into the Indian steel market.
- Arcelor Mittal Nippon Steel India (AM/NS) acquired Bhandar Power plant in Hazira, Gujarat from Edelweiss Asset Reconstruction Company.
- Tata Steel won the bid to acquire Bhushan Steel by offering a consideration of US\$ 5,461.60 million.
- JSW Steel has planned a US\$ 4.14 billion capital expenditure programme to increase its overall steel output capacity from 18 million tonnes to 23 million tonnes by 2020.
- The production capacity of SAIL is expected to increase from 13 MTPA to 50 MTPA in 2025 with total investment of US\$ 24.88 billion.
- Tata Steel has decided to increase the capacity of its Kalinganagar integrated steel plant from 3 million tonnes to 8 million tonnes at an investment of US\$ 3.64 billion.

## ROBUST DEMAND

As per Indian Steel Association (ISA), India's Steel demand is likely to grow by over 7.2 per cent in both 2019-20 and 2020-21. Demand would be supported by growth in domestic market.

## INDUSTRY STRUCTURE AND DEVELOPMENTS

Sponge iron is an intermediate product; a source of metallic's for the secondary steel making through EAF or EOF/IF route. Other sources of metallics are either steel scrap or hot metal produced

in the blast furnace. Steel scrap becomes a direct substitute of sponge iron; since both of them are tradable commodities, unlike hot metal. Further, sponge iron industry is also classified into two categories (i) gas based and (ii) coal based using coal as reductant.

SRU Steels Limited has a 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 witness

## COVID-19 IMPACT ON THE COMPANY

The outbreak of the deadly Covid-19 pandemic, followed by the lockdown in the country has adversely affected the business operations of the Company. Due to the rapid spread of the Covid 19 in the Country, the health of the employees and workers of the Company has become priority of the Company over the business operations. This unproductive lockdown is resulting in the financial burden for the Company. The depressed market condition due to Covid-19 has further resulted in decrease in manpower requirement resulting in idling of work force.

## OPPORTUNITIES

Steel is a major metal of India's imports and exports. A decline in the steel output in China due to Covid 19, which is India's largest supplier of finished steel and steel products, has roiled the domestic market. The political pressure on China post Covid 19 issue will possibly result in the favourable international markets for Indian Steel Makers.

The various sectors that are expected to contribute to the growing demand are infrastructure, roads, railways, bridges, airports, industrial plants, buildings, automobiles, etc. The renewed importance given by Government on affordable housing, roads, sagarmala projects and other infrastructure projects are expected to create steel demand.

The liberalization of industrial policy and other initiatives taken by the Government have given a definite impetus for entry, participation and growth of the private sector in the steel industry. While the existing units are being modernized/expanded, a large number of new steel plants have also come up in different parts of the country based on modern, cost effective, state of the art technologies. In the last few years, the rapid and stable growth of the demand side has also prompted domestic entrepreneurs to set up fresh Greenfield projects in different states of the country.

Crude steel capacity was 111.2 MT in 2019, India, which emerged as the 2nd largest producer of crude steel in the world in 2019, as per data released by the World Steel Association, has to its credit, the capability to produce a variety of grades and that too, of international quality standards.

## THREAT

India's steel Industry, the largest in the world, is facing a slump in demand for the product and squeeze in the supply of a key raw material.

The crisis, because of the lockdown following the COVID-19 outbreak, has already shaved off up to 6 percent of the industry's production in FY20. This is despite the fact that the steel sector has been kept under the essential services list.

Covid 19 is an unprecedented humanitarian challenge for all countries. Lock down has given India the time to make a concerted effort to flatten the pandemic's curve. Six States (including Andhra Pradesh, Kerala, Maharashtra and Tamil Nadu which account for 30 percent of construction activity) rely heavily on migrant construction workers from other states. Bottlenecks in the return of migrants would affect building activity in such states. This may result in lesser demand for steel.

## SEGMENT WISE PERFORMANCE

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

## RISK AND CONCERNS:

Global economic uncertainties have affected India's economy, Key risks synonymous to industry include the global recessionary trend, economic slowdown, increase in financial charges, non-availability (or undue increase in cost) of raw materials, such as , steel, coal and labour etc., coupled with market fluctuations.

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

The Company does not apprehend any inherent risk in the long run, with the exception of certain primary concerns that have afflicted the progress of our industry in general, like

- Rising material Cost
- Lack of adequate source of finance

## MARKET SIZE

India's per capita consumption of steel grew at a CAGR of 4.43 per cent from 46 kgs in FY08 to 74.10 kgs in FY19. In FY20, crude steel production and finished steel production in India was 108.5 MT and 101.03 MT, respectively.

During 2018-19, 6.36 MT of steel was exported from India. Exports and imports of finished steel stood at 7.78 MT and Export and import of finished steel stood at 8.42 MT and 6.69 MT, respectively, in FY20.

## SRU STEELS OPERATIONS

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

During the financial year 2019-20, the SRU Steels Ltd reported ₹29.82 Lakh profit before tax as against a profit ₹ 41.80 Lakh in financial year 2018-19.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

## Abridged Statement of Profit and Loss

Particulars	2019-20	2018-19	Growth %
Revenue from operations	3846.71	3332.4	15.43
Other Income	49.53	29.34	68.82
<b>Total Revenue</b>	<b>3896.24</b>	<b>3361.74</b>	<b>15.9</b>
<b>Expenses</b>			
Purchase	3781.49	3153.29	19.92
Change in inventory	-179.91	18.1	-1094.01
Employee benefits expenses	40.17	33.62	19.48
Finance cost	4.79	0.21	2174.48
<b>Depreciation and amortisation</b>	<b>7.17</b>	<b>2.76</b>	<b>159.34</b>
Other expenses	212.7	111.96	89.98
Total expenses	3866.41	3319.94	16.46
<b>PBT</b>	<b>29.82</b>	<b>41.8</b>	<b>-28.64</b>
Tax Exp	7.78	12.14	-35.94
PAT	22.05	29.66	-25.66
EPS	0.28	0.37	-24.32

## 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.

Considering the health and safety of the employees of the Company and in line with the advisories, orders and directions issued by both State and Central Government in order to prevent the spread of coronavirus (Covid 19) outbreak, the Company has suspended its operations and resumed its operation on May 23, 2020. Further the Company has also implemented Work from Home Policy to ensure the safety of employees post covid 19 issue.

The Company has continuously created the awareness of Covid 19 among the employees of the Company through E-mails and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic.

## DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANTION THEREOF

Particulars	Year 2019-20 (in %)	Year 2018-19 (in %)
Debtor Turnover Ratio	7.14	3.97
Inventory Turnover Ratio	42.76	63.90
Debt Equity Ratio	0.24	-
Interest Coverage Ratio	11.69	-
Current assets	2.67	8.01
Operating Profit Margin	0.77	1.24%
Net Profit Margin Ratio	0.57	0.89
Return on Net Worth	1.80	2.46

## INDEPENDENT AUDITOR'S REPORT

To the members of SRU STEELS LIMITED

### Opinion

We have audited the accompanying standalone Ind AS financial statements of "SRU Steels Limited" ("the company") which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations give to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act"), Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principal generally accepted in India, of the state of affairs of the company as at March 31, 2020, the profit and total comprehensive income, change in equity and its cash flows for the year ended on that date.

### Basis for opinion

We conduct our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors Responsibilities for the Audit of Standalone Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under and we have fulfilled our other Ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of standalone financial statements of the current period. There matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexure

to Board Report's, Business Responsibility Report, Corporate Governance and shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whenever the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act' 2013 ("the Act") with respect to the preparation of these standalone financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimate that are reasonable and prudent, and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.

The board of directors are responsible for overseeing the Company's financial process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from



material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the

standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms Section 143(11) of the Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss (including other comprehensive income), the statement of change in equity, and the Cash Flow Statement dealt with by this Report are in

- agreement with the books of account.
- d. In our opinion, the aforesaid stand alone financial statements comply with the Ind AS specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2020 taken by Board of Directors, none of the director is disqualified as on March 31, 2020 from being appointed as directors in terms of section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B". Our report express an unmodified opinion on the adequacy and operative effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations

given to us:

- i. The Company does not have any pending litigations which would impact its standalone financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company

**For Agarwal Mahesh Kumar & Co.  
Chartered Accountants  
(Registration No. 014618N)**

**(M.K Agarwal)  
(Proprietor)  
M.NO. 094303**

**UDIN: 20094303AAAACB6189**

**PLACE: NEW DELHI  
DATED: 30th June 2020**

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

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that-

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such Physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The Inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
- (iii) According to the information and explanation given to us and based on our examination of the records of the Company, the company has not granted any loan or Advances, Secured or unsecured to companies, firm, Limited Liabilities partnership firm or other parties covered in the register maintained U/s 189 of the companies act, 2013. Accordingly, Paragraph 3(iii) of the order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provision of Section 185 and 186 of the Act, with respect to the loan, investment, Security and Guarantees made.
- (v) The company has not accepted any deposits from the public during the year in term of provision of section 73 or any other provision of the Act and rule made there under. Accordingly paragraph 3(v) of the order is not applicable to the Company.
- (vi) The Central government has not prescribed the maintenance of Cost Record under section 148(1) of the Companies Act 2013. Accordingly paragraph 3(vi) of the order is not applicable to the Company.
- (vii) In respect of statutory Dues:
- (a) In our opinion and according to information and explanation given to us, there are no undisputed statutory dues payable in respect of P.F., Investor Education and protection fund, Employee Estate Insurance, Income-tax, Sales tax, Service tax, Wealth tax, Excise duty, Custom duty and Cess which are outstanding as at 31st March, 2020 for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to ₹ 4.22 lacs that have not been deposited on account of disputed matters pending before appropriate authorities as under:-

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

- (viii) The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly paragraph 3(viii) of the order is not applicable.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the year nor we been informed of such by the management.
- (xi) According to the information and explanation give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite mandated by the provision of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transaction with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non cash transactions with directors or persons connected with him. Accordingly paragraph 3(xv) of the order is not applicable.
- (xvi) According to the information and explanation given to us and based on our examination of the records of the Company the Company is not required to be registered under section 45-IA of the Reserve bank of india Act 1934, Accordingly Paragraph 3(xvi) of the order is not applicable.

**For Agarwal Mahesh Kumar & Co.**  
**Chartered Accountants**  
**(Registration No. 014618N)**

**(M.K Agarwal)**  
**(Proprietor)**  
**M.NO. 094303**

**PLACE: NEW DELHI**  
**DATED: 30th June 2020**

**UDIN: 20094303AAAACB6189**

## ANNEXURE - B TO THE INDEPENDENT AUDITORS REPORT-31ST MARCH, 2020

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

We have audited the internal financial controls over financial reporting of SRU Steels Limited (“the Company”) as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Chartered Accountants  
(Registration No. 014618N)**

**(M.K Agarwal)  
(Proprietor)**

**M.NO. 094303**

**UDIN: 20094303AAAACB6189**

**PLACE: NEW DELHI  
DATED: 30th June 2020**

## BALANCE SHEET AS AT 31ST MARCH 2020

(Amount in ₹)

PARTICULARS	Notes	March 31, 2020 ₹	March 31, 2019 ₹
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	7,124,288	4,079,588
Financial assets			
Loans	5	20,000	20,000
Other financial assets	6	4,461,821	4,459,265
Deferred tax assets	7	196,164	204,705
Other non-current assets	8	-	500,000
<b>Total of non Current Assets</b>		<b>11,802,273</b>	<b>9,263,558</b>
<b>Current assets</b>			
Inventory	9	17,990,776	-
Financial assets			
<b>Loans</b>	5	76,668,707	67,780,849
<b>Trade receivables</b>	10	63,217,238	44,473,510
Cash and cash equivalents	11	5,430,029	5,755,813
Other financial assets	12	999,000	999,000
Current tax assets	13	1,310,002	1,366,068
Other current assets	14	11,571,624	6,633,292
<b>Total of Current Assets</b>		<b>177,187,376</b>	<b>127,008,532</b>
<b>TOTAL ASSETS</b>		<b>188,989,649</b>	<b>136,272,090</b>
<b>Equity</b>			
Share capital	15	79,919,000	79,919,000
Other equity		42,718,905	40,487,953
<b>Total equity</b>		<b>122,637,905</b>	<b>120,406,953</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	16	26,288,318	12,837,510
Other financial liabilities	17	29,034,905	-
Other current liability	18	10,259,404	1,975,658
Current tax liability (net)	19	769,117	1,051,969
<b>Total liabilities</b>		<b>66,351,744</b>	<b>15,865,137</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>188,989,649</b>	<b>136,272,090</b>

Significant accounting policies 1-3

Notes to accounts 4-40

The accompanying notes form an integral part of the audited financial statements.

As per our report of even date.

For Agarwal Mahesh Kumar & Co.  
Chartered Accountants

For & On Behalf Of Board Of Directors

CA M.K Agarwal (FCA)  
(Proprietor)  
Membership No.094303  
F.R.N. No. 014618N

Naresh Kumar Garg  
Chairman  
DIN: 00986846

Ramesh Agarwal  
Managing Director  
DIN: 00151223

Hitech Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Shallu Garg  
Company Secretary  
Membership No. 60869

Place:- New Delhi  
Date:- 30th June 2020

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount in ₹)

Particulars	Notes	Year ended March 31,2020 ₹	Year ended March 31,2019 ₹
<b>Income</b>			
Revenue from operations	20	384,670,785	333,239,913
Other Income	21	4,952,922	2,933,822
<b>Total Revenue</b>		<b>389,623,707</b>	<b>336,173,735</b>
<b>Expenses</b>			
Purchase	22	378,149,053	315,328,546
Change in inventory	23	(17,990,776)	1,809,911
Employee benefits expenses	24	4,017,017	3,362,175
Finance cost	25	479,050	21,062
Depreciation and amortisation	26	716,670	276,343
Other expenses	27	21,270,283	11,196,046
<b>Total expenses</b>		<b>386,641,297</b>	<b>331,994,083</b>
<b>Profit before tax</b>		<b>2,982,410</b>	<b>4,179,652</b>
Less: Tax expense			
Current tax		769,117	1,051,969
Earlier Period Tax Expenses		-	124,411
Deferred tax		8,542	37,461
<b>Profit for the year</b>		<b>2,204,751</b>	<b>2,965,811</b>
Other Comprehensive Income		-	-
Items that will not be reclassified to profit or loss		-	-
Income tax benefit	(a)	-	-
Items that will be reclassified to profit or loss		-	-
Income tax benefit	(b)	-	-
<b>Total Comprehensive income for the year, net of tax (a+b)</b>		<b>2,204,751</b>	<b>2,965,811</b>
Earning per equity shares	30		
Basic		0.28	0.37
Diluted		0.28	0.37

Significant accounting policies 1-3

Notes to accounts 4-40

The accompanying notes form an integral part of the audited financial statements.

As per our report of even date.

For Agarwal Mahesh Kumar & Co.  
Chartered Accountants

CA M.K Agarwal (FCA)  
(Proprietor)  
Membership No.094303  
F.R.N. No. 014618N

Place:- New Delhi  
Date:- 30th June 2020

For & On Behalf Of Board Of Directors

Naresh Kumar Garg  
Chairman  
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Managing Director  
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Hitech Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Shallu Garg  
Company Secretary  
Membership No. 60869

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Amount in ₹)

PARTICULARS	For the Year Ended 31 <sup>st</sup> March, 2020		For the Year Ended 31 <sup>st</sup> March, 2019	
<b>A. <u>Cash Flow from Operating Activities</u></b>				
a) Net Profit before tax and extraordinary Items	2,982,410		4,179,652.00	
Depreciation	716,670		276,343.00	
Preliminary expenses amortised	500,000		500,000.00	
Previous Year Tax Adjustment	26,201		-	
Amount written off	-		-	
Interest Income	(4,707,175)		(2,933,822.00)	
Interest expenses	(2,556)		10,464.00	
Profit on sale of Fixed Assets	(2,414)		-	
b) Operating profit before working capital Changes	(486,864)		2,032,637	
Adjustment for:				
(Increase)/Decrease in Trade Receivable	(18,743,728)		78,756,881	
(Increase)/Decrease in Loan and Advance	(8,887,858)		(67,745,849)	
(Increase)/Decrease in other financial assets	-		-	
(Increase)/Decrease in Other Current Assets	(4,938,332)		14,551,327	
(Increase)/Decrease in inventories	(17,990,776)		10,429,234	
Increase/(Decrease) in Trade Payable	13,450,808		(36,462,628)	
Increase/(Decrease) in Other Current Liabilities	8,283,746		1,765,903	
Increase/(Decrease) in Other Financial liability	29,034,902		(705,354)	
(Increase)/Decrease in Non-Current Assets			-	
c) Cash generated from operations	(278,102)		2,622,151	
Less-Income tax paid	995,903		2,694,728	
Net cash from operating activities		(1,274,005)		(72,577)
<b>B <u>Cash Flow from Investing Activities</u></b>				
Purchase of fixed assets (Net)	(3,772,454)		(3,599,024)	
Sale of fixed assets(Net)	13,500		-	
Interest Income	4,707,175		2,933,822	
Net cash from Investing Activities		948,221		(665,202)
<b>C <u>Net Increase/(decrease) in Cash and Cash equivalent</u></b>		<b>(325,784)</b>		<b>(737,779)</b>
Cash & Cash equivalent at beginning of the year		<b>5,755,813</b>		<b>6,493,592</b>
Cash & Cash equivalent at end of the year (Cash and cash equivalent represents cash and bank balance)		<b>5,430,029</b>		<b>5,755,813</b>

The accompanying notes form an integral part of the audited financial statements.  
As per our report of even date.

For Agarwal Mahesh Kumar & Co.  
Chartered Accountants

CA M.K Agarwal (FCA)  
(Proprietor)  
Membership No.094303  
F.R.N. No. 014618N

Place:- New Delhi  
Date:- 30th June 2020

For & On Behalf Of Board Of Directors

Naresh Kumar Garg  
Chairman  
DIN: 00986846

Ramesh Agarwal  
Managing Director  
DIN: 00151223

Hitech Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Shallu Garg  
Company Secretary  
Membership No. 60869

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

### A. Equity Share Capital

	Number of shares	₹
Balance as at April 1, 2018	7,991,900	79,919,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	7,991,900	79,919,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	7,991,900	79,919,000

### B. Other Equity

	Reserve and surplus			
	Capital reserve	Security premium	General reserve	Total
	₹	₹	₹	₹
Balance as at April 1, 2018	6,155,500	12,405,000	18,961,642	37,522,142
Adjustment for provision for tax last year	-	-	-	-
Amount Writtern off	-	-	-	-
Profit for the year	-	-	2,965,811	2,965,811
Balance as at March 31, 2019	6,155,500	12,405,000	21,927,453	40,487,953
Adjustment for provision for tax last year	-	-	26,201	26,201
Amount Writtern off	-	-	-	-
Profit for the year	-	-	2,204,751	2,204,751
Balance as at March 31, 2020	6,155,500	12,405,000	24,158,405	42,718,905

For Agarwal Mahesh Kumar & Co.  
Chartered Accountants

CA M.K Agarwal (FCA)  
(Proprietor)  
Membership No.094303  
F.R.N. No. 014618N

Place:- New Delhi  
Date:- 30th June 2020

For & On Behalf Of Board Of Directors

Naresh Kumar Garg  
Chairman  
DIN: 00986846

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DIN: 00151223

Hitech Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Shallu Garg  
Company Secretary  
Membership No. 60869



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 1 CORPORATE INFORMATION

SRU Steels Limited, was incorporated on 11th, Sep, 1995 as Limited Company under the provisions of Companies Act, 1956, vide Company Identification Number L17300DL1995PLC107286. The equity shares of the Company are listed on Bombay Stock Exchange. The Registered Office of the Company is situated at Delhi. The main objective of the Company's Trading of stainless steels.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 30, 2020.

### 2 BASIS OF PREPARATION AND PRESENTATION

#### 2.1 STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 1, 2016.

#### 2.2 ACCOUNTING CONVENTIONS

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.3 OPERATING CYCLE

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 USE OF ESTIMATES

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported

amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 3.2 PROPERTY PLANT & EQUIPMENT

- a) Property, plant and equipment are stated at cost net of taxes less accumulated depreciation and/or impairment loss; if any. All costs such as freight, non recoverable duties & taxes and other incidental expenses until the property, plant and equipment are ready for use, as intended by the management and borrowing cost attributable to the qualifying property, plant and equipments are capitalized. Assets costing less than ₹5,000/- are fully depreciated in the year of purchase in merging unit.
- b) Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.
- c) Capital work in progress represents expenditure incurred in respect of capital projects which are carried at cost. Cost includes land, related acquisition expenses, development and construction costs, borrowing costs and other direct expenditure.
- d) The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.
- e) Depreciation on property, plant and equipment is charged in accordance with estimate of useful life of the assets on written down value method, at rates

specified in Schedule II to the Companies Act, 2013.

- f) In respect of assets added/disposed off during the year, depreciation is charged on pro-rata basis with reference to the month of addition/disposal.
- g) Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

### 3.3 FINANCIAL INSTRUMENTS

#### Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Subsequent measurement

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with Ind AS 109 "Financial Instruments" issued by the Ministry of Corporate Affairs, Government of India. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 3.4 IMPAIRMENT

#### Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured

at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

#### Non-financial assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss, if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 3.5 PROVISIONS

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

"Contingent liabilities are not recognised but are disclosed by way of notes to the financial statements, after careful evaluation by the management of the facts and legal aspects of each matter involved. Contingent assets are neither recognised nor disclosed in the financial statements.

Contingent liabilities are assessed continually to determine whether an outflow of resources embodying the economic benefit has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as contingent liability, a provision is recognised in the financial statements of the period in which the change in probability occurs.”

### 3.6 BORROWING COST

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to be put to use, while other borrowing costs are recognized as expenses in the year in which they are incurred. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

### 3.7 INVENTORIES

Inventories other than scrap and goods in transit have been valued at lower of cost and net realisable value. The cost is ascertained as below:-

- i) Finished goods are valued at lower of cost or net realizable value on first in first out (FIFO) basis.
- ii) Scrap is valued at the net realisable value.

Where, net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3.8 EMPLOYEE BENEFITS

- (i). Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, bonus and performance incentives.

### 3.9 FOREIGN CURRENCY TRANSACTIONS

“In preparing the financial statements of the Company, transactions in currencies other than the company’s functional currency i.e. foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are

recognised in the statement of profit or loss in the period in which they arise.

Foreign currency derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.”

### 3.10 TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets

and liabilities.

### Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### 3.11 REVENUE RECOGNITION

- a) Sales are recognised on dispatch of goods except in the case of exports which are accounted for on the date of custom clearance, However, in some cases export is accounted on the terms of contract executed with respective customers.
- b) Interest income is recognized using effective interest method.
- c) Export benefits are recognised on accrual basis at the anticipated realisable value.

### 3.12 OPERATING SEGMENT

“Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Managing Director of SRU Steel Limited has been identified as CODM and he is responsible for allocating the resources, assess the financial performance and position of the Company and makes strategic decisions.

The Company has identified one reportable segment “Trading of stainless steels” based on the information reviewed by the CODM. Refer note 38 for the Segment information presented.”

### 3.13 CASH FLOW STATEMENT

The Cash Flow Statement is prepared by the indirect method set out in Indian Accounting Standard-7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company. The Company considers all highly liquid financial instruments, which are readily convertible into cash, to be cash equivalents.

### 3.14 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding without

a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### 3.15 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3.16 FINANCIAL ASSETS

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 3.17 Recent accounting pronouncements

#### Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard

recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018. Company doesnot have any contract revenue, so provision of IND AS not applicable.

#### 4. Property, plant and equipment

	Buildings	Furniture & fixtures	Vehicles	Computers	Office equipments	Total
	₹	₹	₹	₹	₹	₹
<b>Cost</b>						
As at April 1, 2018	102236	264,750	1,656,988	234,209	160,099	2,418,282
-Additions	3,584,034				14,990	3,599,024
-Disposals						
<b>As at March 31, 2019</b>	<b>3,686,270</b>	<b>264,750</b>	<b>1,656,988</b>	<b>234,209</b>	<b>175,089</b>	<b>6,017,306</b>
-Additions		3,576,000	70,819		125,635	3,772,454
-Disposals			58,092			58,092
<b>As at March 31, 2020</b>	<b>3,686,270</b>	<b>3,840,750</b>	<b>1,669,715</b>	<b>234,209</b>	<b>300,724</b>	<b>9,731,668</b>
<b>Depreciation</b>						
As at April 1, 2018	59,194	242,133	1,004,883	218,965	136,199	1,661,374
Depreciation charge during the year	23,457	-	233,291	6,653	12,942	276,343
Written back						-
<b>As at March 31, 2019</b>	<b>82,651</b>	<b>242,133</b>	<b>1,238,174</b>	<b>225,618</b>	<b>149,141</b>	<b>1,937,717</b>
Depreciation charge during the year	336,564	194,663	144,537	289	40,615	716,668
Written back	-	-	47,006	-	-	47,006
<b>As at March 31, 2020</b>	<b>419,215</b>	<b>436,796</b>	<b>1,335,705</b>	<b>225,907</b>	<b>189,756</b>	<b>2,607,379</b>
<b>Net Book Value</b>						
As at March 31, 2020	3,267,054	3,403,954	334,010	8,302	110,968	7,124,288
As at March 31, 2019	3,603,618	22,617	418,814	8,591	25,948	4,079,588
As at April 1, 2018	43,042	22,617	652,105	15,244	23,900	756,908

#### 5. Loans

PARTICULARS	March 31, 2020	March 31, 2019
	₹	₹
Non-current		
Unsecured, considered good		
Loans		
Others	20,000	20,000
	(a) 20,000	20,000
Current		
Unsecured, considered good		
Loans		
Others	76,668,707	67,780,849
	(b) 76,668,707	67,780,849
<b>Total</b>	<b>(a+b) 76,688,707</b>	<b>67,800,849</b>

#### 6. Other financial asset

PARTICULARS	March 31, 2020	March 31, 2019
	₹	₹
Non-current		
Unsecured, considered good		
Security deposit*	4,063,752	3,833,729
Deferred security	398,068	625,536
<b>Total</b>	<b>4,461,821</b>	<b>4,459,265</b>

\*Security deposits are carried at amortised cost in Ind-AS compared to being carried at cost under IGAAP.

#### 7. Deferred tax assets

PARTICULARS	March 31, 2020	March 31, 2019
	₹	₹
Deferred tax assets on		
Property, plant and equipments & intangible assets	164,297	172,838
Accrued expenses deductible on payment	31,867	31,867
Deferred tax assets(net)	196,164	204,705

#### Movement of Deferred tax (assets)/ liabilities

	For the year ended March 31, 2020			
	Opening Balance	Recognized in the Statement of Profit and Loss	Recognized in OCI	Closing Balance
Deferred tax assets on				
Property, plant and equipments & intangible assets				
	172,838	8,541	-	164,297
Accrued expenses deductible on payment	31,867	-	-	31,867

Deferred tax assets (net)	204,705	8,541	-	196,164
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For the year ended March 31, 2020				
	Opening Balance	Recognized in the Statement of Profit and Loss	Recognized in OCI	Closing Balance
Deferred tax assets on				
Property, plant and equipments & intangible assets				
	210,299	37,461	-	172,838
Accrued expenses deductible on payment	31,867	-	-	31,867
Deferred tax assets(net)	242,166	37,461	-	204,705

## 8. Other non-current assets

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Miscellaneous expenditure		
(to the extent not written off or adjusted)		
Opening balance	500,000	1,000,000
Add:- Addition during the year	-	-
	500,000	1,000,000
Less: Written off during the year	(500,000)	(500,000)
<b>Total</b>	<b>-</b>	<b>500,000</b>

## 9. Inventories

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Raw materials		
Traded goods and Stock In Transit	17,990,776	-
<b>Total</b>	<b>17,990,776</b>	<b>-</b>

## 10. Trade receivables

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Unsecured, considered good	63,217,238	44,473,510
<b>Total</b>	<b>63,217,238</b>	<b>44,473,510</b>
Age of receivables		
Within 6 Month	53,859,670	38,973,510
More than 6 months	9,357,568	5,500,000
<b>Total</b>	<b>63,217,238</b>	<b>44,473,510</b>

In the opinion of the Board, trade receivables, if realised, have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated

## 11. Cash and cash equivalents

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Cash in hand	1,514,964	2,137,540
Balance with Banks		
On current accounts	3,915,065	3,618,276
<b>Total</b>	<b>5,430,029</b>	<b>5,755,816</b>

## 12. Other financial assets

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Unsecured, considered good		
Interest receivable	999,000	999,000
Commission receivable	-	-
<b>Total</b>	<b>999,000</b>	<b>999,000</b>

## 13. Current tax asset

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
TDS	1,310,002	1,366,068
<b>Total</b>	<b>1,310,002</b>	<b>1,366,068</b>

## 14. Other Current Assets

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Unsecured, considered good		
Advances to suppliers	3,504,602	-
Input receivable from Government authorities	7,706,015	6,108,985
Prepaid expenses	57,431	32,282
Others	303,576	492,025
<b>Total</b>	<b>11,571,624</b>	<b>6,633,292</b>

## 15. Share capital

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
<b>Authorised</b>		
95,00,000 (95,00,000) equity shares of ₹ 10 (₹ 10) each	95,000,000	95,000,000
<b>Issued, subscribed and paid up capital</b>		
79,91,900 (79,91,900) equity shares of ₹ 10 (₹ 10) each fully paid up	79,919,000	79,919,000

### Notes:

#### a) Right, preference and restrictions attached to shares;

The Company has equity shares having a par value of Rs. 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### b) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period:

Particulars	March 31, 2020 ₹		March 31, 2019 ₹	
	Nos.	Amount	Nos.	Amount
Number of shares at the beginning	7,991,900	79,919,000	7,991,900	79,919,000
Issued during the year	-	-	-	-
Number of shares at the end	7,991,900	79,919,000	7,991,900	79,919,000

## c) Particulars of shareholders holding more than 5% of equity shares as on March 31, 2020 and March 31, 2019 is as follows:

Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	% Holding	Shares	% Holding	Shares
M.M. Fiscal Services Pvt Ltd	19.36	1,547,000	19.36	1,547,000
Apoorv Agarwal	11.51	920,000	5.03	402,000
Uma Agarwal	-	-	6.49	518,600
Satish Agarwal	10.90	871,500	10.91	872,000
Satish Agarwal HUF	10.29	822,500	10.29	822,500
R.L Agarwal & Sons Securities Pvt Ltd.	12.22	976,500	12.22	976,500

## 16. Trade Payables

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Dues of micro, small and medium enterprises	-	-
Dues to other than micro, small and medium enterprises	26,288,318	12,837,510
<b>Total</b>	<b>26,288,318</b>	<b>12,837,510</b>

Note: 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.

## 17. Other financial liabilities

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Expenses payable	-	-
Bank overdraft	29,034,905	-
<b>Total</b>	<b>29,034,905</b>	<b>-</b>

## 18. Other current liabilities

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Statutory dues	194,941	696,343
Other current liabilities	4,057,857	1,279,315
Advances from customers	6,006,607	-
<b>Total</b>	<b>10,259,404</b>	<b>1,975,658</b>

## 19. Current tax liability

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Income tax	769,117	1,051,969
<b>Total</b>	<b>769,117</b>	<b>1,051,969</b>

## 20. Revenue from operations

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Sale of products		
Steel	380,780,480	324,634,946
Other operating revenue		
Commission on consignment sales	-	-
Commission on direct sales	3,890,305	8,604,968
<b>Total</b>	<b>384,670,785</b>	<b>333,239,913</b>

## 21. Other Income

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Interest receipts on		
Loan and Advances	4,707,175	2,933,822
Profit on sale of vehicle	2,414	-
Amounts written back	20,564	-
<b>Other Income</b>	<b>222,769</b>	

## 22. Purchase of material

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Purchase of raw material	378,149,053	315,328,546
<b>Total</b>	<b>378,149,053</b>	<b>315,328,546</b>

## 23. Change in inventory

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Opening stock of raw materials traded	-	1,809,911
Closing stock of raw materials traded	17,990,776	-
<b>Total</b>	<b>(17,990,776)</b>	<b>1,809,911</b>

## 24. Employees benefit expenses

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Salary and wages	2,842,490	2,386,000
Bonus	106,000	30,000
Staff welfare	168,527	46,175
Director Remuneration	900,000	900,000
<b>Total</b>	<b>4,017,017</b>	<b>3,362,175</b>

## 25. Financial cost

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Bank charges	11,369	10,598
Bank Interest	279,077	
Other Processing Fees	191,160	
Unwinding of discount on security deposit	(2,556)	10,464
<b>Total</b>	<b>479,050</b>	<b>21,062</b>

## 26. Depreciation and amortisation

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Depreciation and amortisation expenses	716,670	276,343

## 27. Other expenses

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Freight Paid	5,592,405	58,977
Rent	1,800,000	1,800,000
Travelling		
Domestic	733,284	407,913
Foreign		720,249
Conveyance	78,490	76,635
General expenses	478,437	580,534
Legal and professional	627,376	405,346
Office expenses	402,431	333,637
Listing fees	300,000	266,000
Vehicle running	549,609	497,266
Electricity charges	165,997	485,097
Printing & Stationery	88,591	65,479
Postage & Stamps	52,006	63,986
Telephone	89,596	97,407
Auditor's Remuneration		
- As audit fees	-	150,000
- Taxation and certification	-	-
Municipal taxes	110,827	82,361
Insurance charges	74,502	57,512
Misc exp Amortised	500,000	500,000
Repair & maintenance	4,304,844	1,565,488
Commission Expense	2,011,356	-
Job Work Charges	1,599,000	-
Others Expenses	1,711,532	2,982,159
	21,270,283	11,196,046



## 28. Contingent Liabilities

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
(to the extent not provided for)		
a) Claims against the Company not acknowledged as debts	-	-
b) Income tax demands disputed in appellate proceedings	422,000	422,000

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

## 29. Capital and other commitments

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Estimated amount of contracts remaining to be executed on capital		
account and not provided for (net off advances)	-	-

## 30. Earnings Per Share (EPS)

EPS is calculated by dividing the profit attributable to the equity shareholders by the weighted average of the number of equity shares outstanding during the year. Numbers used for calculating basic and diluted earnings per equity share are as stated below:

S. No.	PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
i)	Net profit available for equity shareholders	2,204,751	2,965,811
ii)	Weighted average number of equity shares outstanding for calculation of		
	- Basic EPS	7,991,900	7,991,900
	- Diluted EPS	7,991,900	7,991,900
iii)	Nominal value of per equity share (₹)	10	10
iv)	Earning per share (i)/(ii)		
	- Basic EPS (Rs.)	0.28	0.37
	- Diluted EPS (₹)	0.28	0.37

31. In the opinion of the Board, all assets other than fixed assets and non current investments, have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

32. Balances grouped under trade receivables, trade payables and loans and advances recoverable in cash or in kind are subject to confirmation from subjective parties.

## 33. Managerial Remuneration

PARTICULARS	Nature	March 31, 2020 ₹	March 31, 2019 ₹
For Director Remuneration	Salary	900,000	900,000
		<b>900,000</b>	<b>900,000</b>

## 34. Operating Segment

An operating segment is one whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The Company has identified the chief operating decision maker as its Managing Director. The Chief Operating Decision Maker reviews performance of trading of steel business on an overall business.

As the Company has a single reportable segment, the segment wise disclosure requirements of Ind AS 108 on 'Operating Segment' is not applicable. In compliance to the said standard, entity-wise disclosures are as under:

a) Revenues from external customers attributed to the country of domicile and attributed to all foreign countries from which the company derives revenues

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Revenue from the Country of domicile; India	389,623,707	336,173,735
Revenue from foreign countries	-	-
<b>Total</b>		

## b) Details of non current asset

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Non-current asset from the Country of Domicile; India	11,802,273	9,263,558
Non-current asset from foreign countries	-	-
<b>Total</b>		

## 35. Related Party Disclosures:

Pursuant to Ind AS-24 "Related Party Disclosures", following parties are to be treated as related parties:

a) Name of related parties and description of relationship

Key management personnel	
Naresh Kumar Garg	Chairman
Ramesh Agarwal	Managing Director
Hitesh Laxmikant Somani	Chief Financial Officer
Diksha Gandhi	Company Secretary
Shalu Garg	Company Secretary
Sushila Agarwal	Relative of key management

**Enterprises over which Key Management Personnel exercise significant influence**

Note: Related parties relationship is as identified by the Company and relied upon by the Auditors.

Note:- Shalu Garg (Company Secretary) has been appointed on 26th Dec 2019 before Diksha Gandhi (Company Secretary) was working as Company Secretary.

b) Transactions with related parties during the year (excluding reimbursements)

Nature of transaction	Related Party	March 31, 2020 ₹	March 31, 2019 ₹
Rent Paid	Director's Wife	1,800,000	1,800,000
Director Remuneration	Director	900,000	900,000
Salary	Diksha Gandhi	210,000	315,000
Salary	Shalu Garg	82,500	-
Salary	Hitesh Laxmikant Somani	276,000	255,000

c) Amount outstanding as at the end of the year

Account head	Related Party	March 31, 2020 ₹	March 31, 2019 ₹
Director Remuneration	Director	-	-
Other financial liability	Diksha Gandhi	-	27,500.00
Other financial liability	Shalu Garg	25,000.00	-

Other financial liability	Hitesh Laxmikant Somani	-	-
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## 36. Financial Instruments

### Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

PARTICULARS	March 31, 2020 ₹	March 31, 2019 ₹
Trade payables (Note 16)	26,288,318	12,837,510
Other payables (current and non-current)	40,063,426	3,027,627
Less: Cash and cash equivalents (Note 11)	(5,430,029)	(5,755,813)
<b>Net debt</b>	<b>60,921,715</b>	<b>10,109,324</b>
Equity share capital	79,919,000	79,919,000
Other equity	42,718,905	40,487,953
<b>Total capital</b>	<b>122,637,905</b>	<b>120,406,953</b>
<b>Capital and net debts</b>	<b>183,559,620</b>	<b>130,516,277</b>
Gearing ratio (Net debt/Capital and Net debt)	33.19%	7.75%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in

the financial covenants of any interest-bearing loans and borrowing in the current period.

Categories of financial instruments	March 31, 2020 ₹	March 31, 2019 ₹
<b>Financial assets</b>		
Financial assets at amortised cost		
<b>Non-current</b>		
Loans	20,000	20,000
Other financial assets	4,461,821	4,459,265
	<b>4,481,821</b>	<b>4,479,265</b>
<b>Current</b>		
Loans	76,668,707	67,780,849
Trade receivables	63,217,238	44,473,510
Cash and cash equivalents	5,430,029	5,755,813
Other financial assets	999,000	999,000
	<b>146,314,974</b>	<b>119,009,172</b>
<b>Financial liability</b>		
Financial liability at amortised cost		
Trade payables	26,288,318	12,837,510
Other financial liabilities	29,034,905	-
	<b>55,323,223</b>	<b>12,837,510</b>

### Fair value measurements

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3: Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Trade receivables, cash & cash equivalents, other bank balances, loans, other current financial assets, trade payables and other current financial liabilities: Approximate their carrying amounts largely due to short-term maturities of these instruments.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily

indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

### 37. Financial risk management objectives

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and land advances that derive

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

#### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ realestate risk. Financial instruments affected by market risk include loans and borrowings.

#### i) Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively.

#### ii) Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and

within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2019 and 2018 is the carrying amounts.

**c). Liquidity risk**

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

38. The Company's equity shares were listed on Delhi Stock Exchange Ltd. (primary stock exchange), Ahmedabad Stock Exchange Ltd. and Ludhiana Stock Exchange Ltd. The Securities Exchange Board of India (SEBI) had withdrawn recognition of Delhi Stock Exchange Ltd., Ahmedabad Stock Exchange Ltd. and Ludhiana Stock Exchange Ltd. The Company has made an application with Bombay Stock Exchange Ltd. and the shares were admitted for trading on Bombay Stock Exchange Limited on 2nd of Feb 2018.

39. **Figures have been rounded off to the nearest rupees.**

40. **Figures in brackets pertain to previous year, unless otherwise indicated.**

**For Agarwal Mahesh Kumar & Co.  
Chartered Accountants**

**CA M.K Agarwal (FCA)  
(Proprietor)  
Membership No.094303  
F.R.N. No. 014618N**

**Place:- New Delhi  
Date:- 30th June 2020**

**For & On Behalf Of Board Of Directors**

**Naresh Kumar Garg  
Chairman  
DIN: 00986846**

**Ramesh Agarwal  
Managing Director  
DIN: 00151223**

**Hitech Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B**

**Shallu Garg  
Company Secretary  
Membership No. 60869**





## SRU STEELS LIMITED

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