



# 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/2022-23/300

August 31, 2022

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

Scrip Code: 540914

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

**Subject: Submission of Annual Report for the financial year 2021-22 and Notice convening the 27<sup>th</sup> Annual General Meeting**

Dear Sir,

With reference to the above captioned subject, we hereby inform you that the Twenty Seventh (27<sup>th</sup>) Annual General Meeting of the Company will be held on Monday, 26<sup>th</sup> September, 2022 at 2:00 P.M. Indian Standard Time (IST) through video conferencing or other Audio Visual Means (VC/OAVM).

Pursuant to Regulation 34(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, Please find enclosed herewith the Annual Report of the Company for the F.Y. 2021-22 along with the Notice of 27<sup>th</sup> Annual General Meeting (AGM) of the Company.

The Annual Report for the financial year 2021-22 including Notice of AGM is being sent to all the shareholders electronically who have registered their Email Ids with the Company/Depository Participant.

The Annual Report and Notice of AGM are also uploaded on the Company's website at [www.srusteels.in](http://www.srusteels.in).

Kindly take the same in your record.

Thanking You

For SRU Steels Limited

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

**27<sup>th</sup>**  
**ANNUAL**  
**REPORT**



**ANNUAL REPORT 2021-22**



**SRU STEELS LIMITED**

**Setting Standard in Steel Profiles**

**CIN: L17300DL1995PLC107286**

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## VISION OF SRU STEELS LIMITED

We aspire to become pioneering and forward looking organization that is collaborative, innovative and responsive to the changing needs of our Clients



## INTRODUCTION

As we started our business operations, we were appreciated for providing the best quality of Stainless Steel Products and for over 27 years, we have been meeting the changing needs of steel customers. We, SRU Steels Limited, are a leading name in the market. To ensure high standards of quality, these products are sourced from reliable sources. The quality of these products is always maintained at our end. The company operates in the single business segment of trading in various types of Steel and steel product. 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 PRODUCTS

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. 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.

## Our Specialties in Stainless Steel are in the Categories of:-

- SS Sheet
- SS PVC Coated Sheet
- SS Checkered Sheet
- SS Coils
- SS Pipe Fittings
- SS Rod
- SS Angle
- SS Channel
- SS Round Tube
- SS Flat Bar



**SS Sheet**



**SS PVC Coated Sheet**



**SS Checkered Sheet**



**SS Coils**

**SS PIPE**



**SS ROD**



**SS Angle**



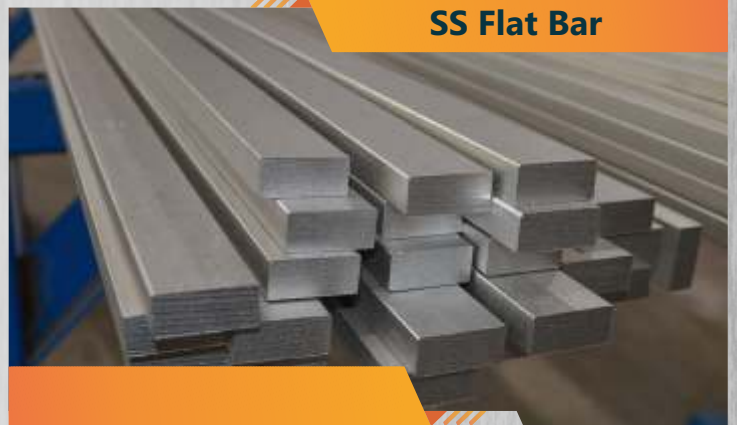
**SS CHANNEL**



**SS Round Tube**



**SS Flat Bar**







# HIGHLIGHTS OF THE YEAR

## TOTAL INCOME GROWTH

-44.41%

2021-22  
Rs. 150,513,958

2020-21  
Rs. 270,795,514

## EBITDA GROWTH

-37.07%

2021-22  
Rs. 5,483,692

2020-21  
Rs. 8,714,059

## PAT GROWTH

8.74%

2021-22  
Rs. 2,300,038

2020-21  
Rs. 2,115,072

## EPS GROWTH

11.53%

2021-22  
0.29%

2020-21  
0.26%

## NET WORTH

1.85%

2021-22  
Rs. 126,747,031

2020-21  
Rs. 124,436,487

## CORPORATE INFORMATION

BOARD OF DIRECTORS	DESIGNATION
Mr. Naresh Kumar Garg	Chairman
Mr. Apoorv Agarwal	Managing Director
Mr. Ashok Kumar Mahawar	Independent Director
Mr. Rajiv Mittal	Independent Director
Mr. Prem Prakash Agarwal	Independent Director
Mr. Pankaj Jain	Independent Director
Mrs. Richa Singla	Non-Executive Director
KEY MANAGERIAL PERSONNEL	DESIGNATION
Mr. Arpit Agarwal	Chief Executive Officer
Mr. Hitesh Laxmikant Somani	Chief Financial officer
Mr. Deepak	Company Secretary and Compliance Officer
Statutory Auditor	Internal 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	M/s Goel Vikas & Co., (Chartered Accountants) G-261, First Floor, Rishi Nagar, Rani Bagh, Delhi-110034 Tel: 9899922826 ; Email ID: vikasgoel82@gmail.com
Secretarial Auditor	Bankers
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	State Bank of India
Audit Committee	Stakeholders' Relationship Committee
Mr. Rajiv Mittal, <i>Chairman</i> Mr. Prem Prakash Agarwal, <i>Member</i> Mr. Pankaj Jain, <i>Member</i>	Mr. Pankaj Jain, <i>Chairman</i> Mr. Prem Prakash Agarwal, <i>Member</i> Mr. Apoorv Agarwal, <i>Member</i>
Nomination and Remuneration Committee	Registrar & Share Transfer Agent
Mr. Prem Prakash Agarwal, <i>Chairman</i> Mr. Ashok Kumar Mahawar, <i>Member</i> Mr. Pankaj Jain, <i>Member</i>	Beetal Financial & Computer Services (P) Ltd Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi – 110062; Tel: 011-29961281, 29961282, Fax: 011-29961284 E-mail:beetal@rediffmail.com, Website:www.beetalfinancial.com;
Registered Office	Corporate Identification Number
A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052 Email: srusteels@yahoo.in, Website: www.srusteels.in; Tel: 011-27373622	CIN: L17300DL1995PLC107286



## SRU STEELS LIMITED

CIN No-L17300DL1995PLC107286

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

website:- www.srusteels.in | E-mail:-srusteels@yahoo.in | Tel No-011-27373622,

**Notice**

Notice is hereby given that the Twenty Seventh (27<sup>th</sup>) Annual General Meeting (AGM) of the members of **SRU STEELS LIMITED** will be held on Monday, September 26, 2022 at 2:00 P.M., Indian Standard Time (IST) through Video Conferencing/ Other Audio Visual Means ("VC/OAVM"), to transact the following businesses. The Venue of the meeting shall be deemed to be the registered office of the Company at A-48, 1<sup>st</sup> 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, 2022 together with the reports of the Board of Directors and the Auditors thereon;**

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

**"RESOLVED THAT** the audited financial statements of the Company

for the financial year ended March 31, 2022, the report of the auditors' thereon and the report of the Board of Directors for the financial year ended March 31, 2022, be and are hereby received, considered and adopted."

2. **To appoint a Director in place of Ms. Richa Singla (DIN:00082722), who retires by rotation in terms of Section 152 of the Companies Act, 2013 and being eligible, offers herself for re-appointment.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended from time to time ("Act"), Ms. Richa Singla (DIN: 00082722), who retire by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

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

**Deepak  
Company Secretary  
(Membership No. 64119)**

Date: August12, 2022  
Place: New Delhi

**Notes:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid -19", General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021, 21/2021 and 02/2022 dated January 13, 2021, December 14, 2021 and 05 May, 2022 respectively in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)", (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the 27<sup>th</sup> AGM of the Company is being held through VC/OAVM. The proceedings of the AGM will be deemed to be conducted at the Registered Office of the Company at A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052, which shall be deemed venue of the AGM.
2. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. 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).
3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
4. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this notice.
5. 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).
6. In compliance with the aforesaid MCA circulars and SEBI Circular dated May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories unless any Member has requested for a physical copy of the same. The Notice of 27<sup>th</sup> AGM and the Annual Report 2021-22 will also be available on the Company's website i.e. [www.srusteels.in](http://www.srusteels.in) and website of stock exchange [www.bseindia.com](http://www.bseindia.com) and the Notice of 27<sup>th</sup> AGM will be available on the website of Central Depository Services Limited (CDSL) at [www.evotingindia.com](http://www.evotingindia.com).
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. All the documents referred to in the accompanying notice and 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).
9. Pursuant to Section 91 of the Companies Act, 2013 and Regulation 42 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Share transfer Book and Register of Members of the Company will be remain closed from Tuesday, 20<sup>th</sup> September, 2022 to Monday, 26<sup>th</sup> September, 2022 (both days inclusive).
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code etc., **(a) For shares held in electronic form:** to their Depository Participants (DPs) **(b) For shares held in physical form:** to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters along with Business Reply Envelopes (BRE) for furnishing the required details.
11. Members may please note that SEBI vide its Circular No. SEBI/HO/ MIRSD/MIRSD\_ RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.srusteels.in](http://www.srusteels.in). It may be noted that any service request can be processed only after the folio is KYC Compliant.
12. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.
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 as "Annexure". 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. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website [www.srusteels.in](http://www.srusteels.in). Members holding shares in demat mode may contact their respective Depository Participant for availing this facility.
15. 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 at [srusteels@yahoo.in](mailto:srusteels@yahoo.in)
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. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified from time to time.
18. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice under **Note No. 26**.
19. 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.
20. To support of 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 (eg.: 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).
21. (a) This Notice of AGM along with Annual Report for the financial year 2021-22 is being sent by email to those shareholders whose email addresses are registered with the Company/ Depositories and whose name appears as on August 19, 2022 (Cut-off date) in the register of members or beneficial owner as received from M/s Beetal Financial & Computer Services (P) Ltd, the Registrar and Transfer Agent of the Company.
- (b) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on September 19, 2022, being the cut-off date. Members are eligible to cast vote electronically only if they are holding shares as on that date.
22. 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.
23. 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.
24. Beetal Financial & Computer Services Pvt. Ltd. is the Registrar 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, 3<sup>rd</sup> Floor,  
99, Madangir, Behind Local Shopping Centre,  
Near Dada HarsukhdassMandir, New Delhi-110062  
Ph. 011-29961281-283, Fax.011-29961284  
Email id: [beetalrta@gmail.com](mailto:beetalrta@gmail.com)
25. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of 27<sup>th</sup> Annual General Meeting and holding shares as of the cut-off date i.e. September 19, 2022 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.
26. **Voting through electronic means**
- i. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated 05 May, 2022 respectively. The forthcoming AGM will thus be held through video conferencing or other audio visual means (VC/OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- ii. 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), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository

Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

- iii. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Monday, September 19, 2022, 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.
- iv. The Member can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice and the window will be closed for joining the meeting after 15 minutes from the scheduled time of the meeting. 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.
- v. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- vi. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.srusteels.in](http://www.srusteels.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- vii. With reference to the Ministry's General Circular No. 20/2020, dated 05th May, 2020 and Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated 05 May, 2022 respectively, it has been decided to allow companies whose AGMs are due in the year 2022, to conduct their AGMs on or before 31.12.2022, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 dated 05th May, 2020.

#### A. THE INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER

1. The remote e-voting facility will be available during the following period:

<b>Commencement of remote E-Voting</b>	From 9:00 A.M, Friday, 23 <sup>rd</sup> September, 2022
<b>End of remote E-Voting</b>	Up to 5:00 P.M, Sunday, 25 <sup>th</sup> September, 2022

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. Monday, September 19, 2022, may cast their vote

electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member then he shall not be allowed to change it subsequently.

2. Pursuant to **SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; Listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

3. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

TYPE OF SHAREHOLDERS	LOGIN METHOD
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> </ol>

	<p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "Register Online for IDeAS". "Portal or click <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>

Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR SHAREHOLDERS OTHER THAN INDIVIDUAL SHAREHOLDERS & PHYSICAL SHAREHOLDERS**

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - 1) Click on Shareholders.
  - 2) Now Enter your User ID
    - a) For CDSL: 16 digits beneficiary ID,
    - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - 3) Next enter the Image Verification as displayed and Click on Login.
  - 4) 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.
  - 5) If you are a first time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

	<ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use sequence number sent by Company/RTA or contact Company/RTA</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.</li> </ul>

5. After entering these details appropriately, click on "SUBMIT" tab.
6. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
7. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
8. Click on the EVSN for the relevant "**SRU STEELS LIMITED**" on which you choose to vote.
9. 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.
10. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
11. 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.
12. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
13. You can also take out print of the votes cast by clicking on "Click here to print" option on the Voting page.
14. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
15. **Additional Facility for Non – Individual Shareholders and Custodians- Remote Voting Only**
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- 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 [rusteels@yahoo.in](mailto:rusteels@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.

**A. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING THE AGM ARE AS UNDER:-**

- i. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
- iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- vi. 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.
- vii. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days** prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days** prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.



- viii. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- ix. Only those shareholders, who are 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 available during the AGM.
- x. 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.

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

- i. 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.
- ii. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- iii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository..
- iv. If you have any queries or issues regarding attending AGM &

e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 1800 22 55 33.

- v. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. 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 toll free no. 1800 22 55 33.
- 27. The Board of Directors of the Company has appointed M/s Avinash Pandey & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the 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.
- 28. 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, where the equity shares of the Company are listed.
- 29. In terms of Section-149 of the Companies Act, 2013, the provisions of retirement by rotation are not applicable to independent directors. Therefore, Mrs. Richa Singla, Director, retire by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting.
- 30. 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**

**Deepak  
(Company Secretary)  
(Membership No. 64119)**

**Place: New Delhi  
Date: August 12, 2022**

**ANNEXURE TO ITEM NO. 02**

Relevant details, in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2 of General Meetings in respect of Director proposed for appointment/reappointment at Twenty Seventh (27<sup>th</sup>) Annual General Meeting are as follows:

<b>Name of the Director</b>	<b>Mrs. Richa Singla</b>
<b>DIN</b>	00082722
<b>Date of Birth</b>	27/06/1985
<b>Nationality</b>	Indian
<b>Age</b>	37
<b>Date of first appointment on the Board</b>	23/06/2014
<b>Qualifications</b>	Graduate
<b>Expertise in specific Functional Areas</b>	She has a very good experience in the field of HR and Management over past 12 years
<b>Terms and Conditions of Re-appointment</b>	Non-Executive Director liable to retire by rotation
<b>Number of shares held in the Company as at 31.03.2022</b>	NIL
<b>List of Directorships held in other companies as on March 31, 2022</b>	<ul style="list-style-type: none"> <li>• Mahodari Finvest Company Private Limited</li> <li>• Bahula Finvest Company Private Limited</li> <li>• Indraesh Developers Private Limited</li> <li>• Cuttack Agrivet Private Limited</li> <li>• Craftsmith Private Limited</li> <li>• Dalpure Agrivet Private Limited</li> </ul>
<b>Remuneration last drawn during F.Y. 2021-22</b>	Nil
<b>No. of Board Meeting attended during the financial year 2021-22</b>	5
<b>Chairman/Member of the Committees of the Board of companies in which she is a Director</b>	Nil
<b>Relationship between Directors and KMP of the Company</b>	Mrs. Richa Singla is related to Mr. Apoorv Agarwal, Managing Director of the Company and Mr. Arpit Agarwal, Chief Executive Officer (CEO) of the Company. Mr. Apoorv Agarwal, Mr. Arpit Agarwal, and Mrs. Richa Singla are brother and sister.

**DIRECTORS' REPORT**

To,

The Members,

Yours Directors take pleasure in presenting the Twenty-Seventh (27<sup>th</sup>) Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended March 31, 2022.

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

(Amount in ₹)

PARTICULARS	For the financial year ended March 31, 2022	For the financial year ended March 31, 2021
Revenue from Operation	14,09,94,203	26,25,15,206
Other Income	95,19,755	82,80,308
<b>Total Revenue</b>	<b>15,05,13,958</b>	<b>27,07,95,514</b>
Total expenditure before finance cost, depreciation	14,48,93,283	26,19,83,439
<b>Profit before Finance Cost and Depreciation</b>	<b>56,20,675</b>	<b>88,12,075</b>
Finance Cost	14,52,354	4,591,663
Depreciation	10,60,162	1,337,505
<b>Profit before Exceptional Item &amp; Tax</b>	<b>31,08,159</b>	<b>28,82,907</b>
Exceptional Item	Nil	Nil
<b>Profit before Tax</b>	<b>31,08,159</b>	<b>28,82,907</b>
Less: Current Tax	8,84,078	8,94,182
Earlier period Tax Expense	-	-
Deferred Tax	(75,957)	(1,26,347)
<b>Profit For the Year</b>	<b>23,00,038</b>	<b>21,15,072</b>
<b>Other Comprehensive Income</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Comprehensive Income for the year</b>	<b>23,00,038</b>	<b>21,15,072</b>
<b>Earning Per Share(EPS)</b>		
Basic	0.29	0.26
Diluted	0.29	0.26

**2. Dividend**

The Board of Directors of your Company, after considering the relevant circumstances holistically and in order to conserve the resources, has decided that it would be prudent not to recommend any dividend for the year ended 31st March, 2022.

**3. Transfer to Reserves**

Your Company has transferred a sum of ₹ **23,00,038** to the General Reserves. The total Reserves and Surplus as at March 31, 2022 was ₹ **4,68,28,031**.

**4. Operations Review and the state of affairs of the Company**

During the year under the review your Company focuses 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 ₹150,513,958/- in 2021-22 as against ₹ 27,07,95,514/- in 2020-21 and earned a profit of ₹ **23,00,038** /- in 2021-22 as against ₹ **21,15,072** /- in 2020-21, registering a growth of 8.74% as compared to the previous year profit.

**5. Nature of Business**

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 and **there is no change in the nature of business of the company.**

**6. Share Capital/ Capital Structure and Listing of Share**

The Authorised Share capital of the Company as at 31<sup>st</sup> March, 2022 was ₹ **95,000,000**/- divided into 9,500,000 equity shares of ₹ 10/- each.

The Paid up Share Capital of your Company as on 31<sup>st</sup> March, 2022 was ₹ **79,919,000** divided into 7,991,900 equity shares of ₹ 10/- each. During the year under review, your Company has not issued any shares.

The Company's equity shares are listed with BSE Limited. The annual listing fee for the financial year 2022-23 is required to be paid to the Stock Exchange

**7. 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.

**8. Subsidiaries, Associate Companies and Joint Venture**

The Company is not required to consolidate its financial statement for the year ended 31<sup>st</sup> March, 2022 as the Company does not have any subsidiaries, joint venture, or associate Companies.

**9. 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 31<sup>st</sup> March, 2022 have also been prepared in accordance with Indian Accounting Standard (Ind AS).

**10. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

The Company being engaged in the business of Trading of Stainless

Steel and does not have any energy utilization or technology absorption. The Company during the year under review does not have 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.

## 11. Board and Committee Meetings

During the financial year 2021-22, 5 (Five) number of Board Meetings and 5 (Five) number of Audit Committee Meetings were held. For the details thereof kindly refer to the Corporate Governance Report.

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

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

## 12. Annual Return

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the draft copy of Annual Return as on March 31, 2022 is available on the Company's website at [http://www.srusteels.in/annual\\_return.html](http://www.srusteels.in/annual_return.html)

## 13. Directors & Key Managerial Personnel

### a) Retirement by Rotation

Pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, One- third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every AGM. Consequently, Mrs. Richa Singla (DIN:00082722), Director, is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, she has offered herself for re-appointment. Necessary resolution for her re-appointment are included in the Notice of AGM for seeking approval of members. The Board of Directors has recommended her re-appointment.

The details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding re-appointment of Mrs. Richa Singla, her brief resume, the nature of expertise in specific functional areas, names of Companies in which she hold Directorships, committee Memberships/ Chairmanships, her shareholding in the Company etc., are furnished in the annexure to the notice of the ensuing AGM.

### b) Appointment

#### Mr. Deepak

Mr. Deepak has been appointed by the Board of Directors of the Company as Company Secretary and Compliance Officer of the Company with effect from February 14, 2022 on the recommendation of the Nomination and Remuneration Committee of the Company, pursuant to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations,

2015 and pursuant to the provision of Section 2 (18) read with Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration) Rules, 2014

### c) Cessation

During the year under review, Ms. Shallu Garg, has resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f January 20, 2022 and the Board places on record its appreciation for Ms. Shallu Garg for her invaluable contribution and guidance during her tenure as Company Secretary and Compliance Officer of the Company.

### 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 Singla (DIN: 00082722) who is serving on the Board of the Company, since the year 2014.

## 14. 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' and for renewal of name in the data bank of Independent Directors. During the financial year 2021-22, the Board of Directors have taken on record the declarations and confirmations submitted by the independent director.

The Board of Director are of the opinion that the independent director is a person of integrity and possesses relevant expertise and experience and his continued association as Director will be of immense benefit and in the best interest of the Company and there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

## 15. Policy on Directors' appointment and Policy on Remuneration

Pursuant to the provisions of Section 134 (3) (e) and Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Board has formulated a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and senior management.

The salient features of the Policy are:

- It provides the diversity on the Board of the Company and
- It provides the mechanism for performance evaluation of the Directors



- It lays down the parameters based on which payment of remuneration (including sitting fees and remuneration) should be made to Independent Directors and Non-Executive Directors.
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, bonus/ performance linked incentive, commission, retirement benefits) should be given to Whole-time Directors, KMPs and rest of the employees.
- It lays down the parameters for remuneration payable to Director for services rendered in other capacity.

It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company. During the year under review, there were no substantive changes in the Policy except to align the Policy with amendments made to applicable laws. The Policy is available on the website of the Company at <http://www.srusteels.in/pdfs/investor-policies/NRP.pdf>

#### 16. 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 attached as "Annexure-II", forming part of this report.

Further in 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-III" and forms part of this Report.

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

Pursuant to applicable provisions of the Act and the Listing Regulations, the Board, in consultation with its Nomination and Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and individual directors, including Independent Directors. The framework is monitored, reviewed and updated by the Board, in consultation with the Nomination and Remuneration Committee, based on need and new compliance requirements.

The Board of Directors have carried out the annual evaluation of its own performance, the Individual Directors including the Chairman as well as the evaluation of the working of its Committees. The evaluation of Board as a whole and Non-Independent Directors including Chairman was done by the Independent Directors in their meeting held on 08th March, 2022. The details of evaluation process of the Board, its Committees and individual directors, including independent directors have been provided under the Corporate Governance Report which forms part of this Report.

#### 18. Director's Responsibility Statement

Pursuant to Section 134(3) (c) and Section 134(5) of the Companies act, 2013, the Board of Directors of the Company hereby confirms and accepts the responsibility for the following in respect of the Audited Annual Accounts for the financial year ended March 31, 2022:

- a) That in the preparation of the annual accounts for the financial year ending 31<sup>st</sup> March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) That the directors had selected the 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;
- 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.

#### 19. Auditors

##### i. Statutory Auditor and their Report

Pursuant to the provisions of Section 139 of the Act, 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, to hold the office from the conclusion of 24<sup>th</sup> Annual General Meeting up to the Conclusion of 29<sup>th</sup> Annual General Meeting 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.

Pursuant to Section 139 and 141 of the Act and relevant Rules prescribed there under, the Statutory Auditors have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Audit report on the financial statement of the Company for the FY 2021-22 forms part of the Annual Report. There are no qualifications, reservations or adverse remarks or disclaimer made by M/s. Agarwal Mahesh Kumar & Co, Chartered Accountants, in their report for the financial year ended 31<sup>st</sup> March, 2022.

Pursuant to Section 134 (3) (ca) during the year under review, the Statutory Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee or the Board or Central Government under Section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this report.

##### 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 31<sup>st</sup> March, 2022.

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-IV".

#### Explanation to the observation in secretarial audit report:

1. BSE vide its Letter No. DSC/DL/SK/IP/534/2017-18 dated October 27, 2017 had granted In-principal approval for Listing of 7,991,900 equity shares, however trading approval was granted only for 3,627,400 equity shares and 4,364,500 equity shares has been kept in abeyance.

In this regard, it is submitted that

1. The Company has made an application dated 22.04.2022 along with the required documents/information with regard to granting trading approval of post-merger shares i.e. 43,64,500 to SEBI and the same is under examination by the concerned department of SEBI.

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 2022-23.

### iv. Internal Auditor

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), the Board of Directors on recommendation of Audit Committee appointed M/s Goel Vikas & Co., Chartered Accountant as Internal Auditors of the company for the financial year 2021-22 and the report submitted by them was placed before the audit committee and Board of Directors.

It is hereby informed that 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), the Board of Directors on recommendation of Audit Committee appointed M/s Goel Vikas & Co., Chartered Accountant as Internal Auditors of the company for the financial year 2022-23 at such remuneration as fixed by Board in consultation with Audit Committee.

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

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the Note No. 5 to the financial statements.

### 21. Particulars of contract or arrangements with related parties referred to in Section 188(1)

With reference to Section 134 (3)(h) of the Act, all the contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were approved by the Audit Committee and wherever required, also by the Board of Directors.

All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations.

The disclosure of material related party transactions as required under Section 134(3) (h) of the Act in Form No. AOC-2 is annexed to this Report as "Annexure-V".

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://www.srusteels.in/pdfs/investor-policies/Policy-on-Related-Party-Transactions-2022.pdf>

All the related party transactions under Ind AS-24 have been disclosed at Note No. 35 to the standalone financial statements forming part of this Annual Report.

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 on a consolidated basis is also sent to the Stock Exchanges after publication of standalone financial results for the half year.

### 22. Internal Financial Control

According to Section 134 (5) (e) of the Companies Act, 2013 read with rule 8 of the Companies (Accounts) Rules, 2014, 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.

### 23. Risk Management Policy

Pursuant to the provisions of Section 134 (3) (n) of the Companies Act, 2013, the Company has put in place comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. 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 at <http://srusteels.in/pdfs/investor-policies/Risk%20Managment%20Policy.pdf>

## 24. 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 rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director 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 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 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.

### (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.

## 25. Disclosure on Pubic 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 thereunder.

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

### Disclosure on Vigil Mechanism / Whistle Blower Policy

The Company has established a Vigil Mechanism/ Whistle blower Policy as a part of its vigil mechanism. The purpose of this Policy is to enable any person including the directors, employees, other stakeholders, etc. to raise concerns regarding unacceptable and improper practices and/or any unethical practices in the organization without the knowledge of the management.

All employees shall be protected from any adverse action for reporting any unacceptable or improper practice and/or any unethical practice, fraud or violation of any law, rule or regulation, potential or actual violation, leakage of unpublished price sensitive information without fear of reprisal.

The Company believes in the conduct of its affairs and its constituents by adopting the highest standards of professionalism, honesty, integrity, and ethical behavior, in line with the Code of Conduct ('Code'). All the stakeholders are encouraged to raise their concerns or make disclosures on being aware of any potential or actual violation of the Code, policies or the law. Periodic awareness sessions are also conducted for the same.

The Board has formulated policy on Vigil Mechanism/ Whistle blower Policy and the same may be accessed at the website of the Company i.e. <http://srusteels.in/pdfs/investor-policies/Policy%20on%20Vm%20&%20While%20Blowing.pdf>

## 27. Significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and company's operations in future

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and Company's operations in future.

## 28. Corporate Governance

Good Corporate practice is a norm at SRU Steels Limited. The Company is committed to focus on long term value creation and protecting stakeholders' interests by applying proper care, skill and diligence to

business decisions. Besides complying with the legal framework of Corporate Governance Practices. 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.

### 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 zero tolerance for sexual harassment at workplace and had in place policy on Prevention, Prohibition and Redressal of Sexual Harassment for women at workplace in accordance with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made thereunder.

With the objective of providing a safe working environment, the Company has constituted Internal Committee at its locations to redress complaints received 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.

During the year, company has not received any sexual harassment complaints.

### 31. Independent Director's familiarisation Programme

The Company has formulated a programme for familiarization of Independent Director with regard to roles, rights, responsibilities, nature of the industry in which the Company operates, the business model of the Company etc. The details of the Familiarization Programmes as conducted by the Company are available on the website of the Company at [www.srusteels.in](http://www.srusteels.in). However, during the year under review, there was no change in the nature of business of the company and its business vertical/structure/operational strategy, etc., which would have necessitated fresh Familiarization Programme for Independent Directors.

The details of familiarisation program may be accessed on the Company's website [http://srusteels.in/pdfs/investor-policies/Familiarisation %20 Programme % 20for %20Independent%20 Directors.pdf](http://srusteels.in/pdfs/investor-policies/Familiarisation%20Programme%20for%20Independent%20Directors.pdf)

### 32. Buy Back of Securities

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

### 33. 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.

### 34. Secretarial Standards

The applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

### 35. 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 [srusteels@yahoo.in](mailto:srusteels@yahoo.in) for sending communications to the Company Secretary. Members may lodge their requests, complaints and suggestions on this e-mail as well.

### 36. 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://srusteels.in/pdfs/investor-policies/Website%20Archival%20Policy.pdf>
2. Policy on determination of materiality of the events/ information for making disclosure by the Company. URL for the same is: [http://srusteels.in/pdfs/investor-policies/POLICY%20ON%20 DETERMINATION%20OF%20MATERIALITY%20OF%20 EVENTS%20FOR%20MAKING%20DISCLOSURE.pdf](http://srusteels.in/pdfs/investor-policies/POLICY%20ON%20DETERMINATION%20OF%20MATERIALITY%20OF%20EVENTS%20FOR%20MAKING%20DISCLOSURE.pdf)
3. Policy on Preservation of Records. The same may be accessed at [http://srusteels.in/pdfs/investor-policies/Preservation%20of%20 Documents.pdf](http://srusteels.in/pdfs/investor-policies/Preservation%20of%20Documents.pdf)
4. Policy on Code of Conduct for the Board of Director and Senior Management Personnel can be assessed at <http://srusteels.in/pdfs/investor-policies/Code%20of%20Conduct%20%20Board%20%20&%20Senior%20Management.pdf>
5. Policy on Related Party Transaction. The same may be accessed at: [http://www.srusteels.in/pdfs/investor-policies/Policy-on-Related-Party-Transactions 2022.pdf](http://www.srusteels.in/pdfs/investor-policies/Policy-on-Related-Party-Transactions%202022.pdf)
6. Policy on performance Evaluation and URL for the same is: [http://srusteels.in/pdfs/investor-policies/Performance%20Evaluation %20Policy.pdf](http://srusteels.in/pdfs/investor-policies/Performance%20Evaluation%20Policy.pdf)

### 37. Application/proceeding under the Insolvency and Bankruptcy Code, 2016

During the year, the Company has not made any application under the Insolvency and Bankruptcy Code, 2016 (IBC) and there is no proceeding pending under IBC.

### 38. One-time settlement with any bank or Financial Institution

There was no instance of one-time settlement with any Bank or Financial Institution.

### 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 Limited**

**Place: Delhi  
Date: August 12, 2022**

**Apoorv Agarwal  
Managing Director  
DIN: 02763242**

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

## Annexure-I

Information as per Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2022

Amount In Rs

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>B. Technology absorption</b>			
(i)	the efforts made towards technology absorption:	N.A	
(ii)	the benefit derived like product improvement, cost reduction, product development or import substitution:	N.A	
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year )	N.A	
	a) the details of technology imported;	N.A	
	b) the year of import;	N.A	
	c) whether the technology been fully absorbed	N.A	
	d) if not fully absorbed, area where absorption has not taken place, and the reasons thereof; and	N.A	
	e) the expenditure incurred on Research and Development	N.A	
<b>Note:</b> 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.			
<b>C. Foreign Exchange Earning and outgo</b>			
The company does not have any export sale, hence the respective point is not applicable.			
	<b>Particulars</b>	<b>Financial Year ended 31st March, 2022</b>	<b>Financial Year ended 31st March, 2021</b>
	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

Apoorv Agarwal  
Managing Director  
DIN: 02763242

Naresh Kumar Garg  
Chairman & Director  
DIN: 00986846

Place: New Delhi  
Date: August 12, 2022



## Annexure-II

## 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)	<b>the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;</b>	
	<b>Non - Executive Directors</b>	<b>Ratio of Median Remuneration</b>
	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 Singla, Director	-
	<b>Executive Directors</b>	
	Mr. Apoorv Agarwal, Managing Director	3.13
	Note: Mr. Naresh Kumar Garg, Chairman does not receive any remuneration or sitting fee from the Company.	
(b)	<b>the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;</b>	
	<b>Name of Person</b>	<b>% Increase in remuneration</b>
	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 Singla, Director	-
	Mr. Apoorv Agarwal, Managing Director	-
	Mr. Hitesh Laxmikant Somani, CFO	-
	Ms. Shallu Garg, Company Secretary*	12.72%
	Mr. Deepak, Company Secretary*	-
* Ms. Shallu Garg has resigned from the post of Company Secretary w.e.f. 20th January, 2022 # Mr. Deepak has been appointed as Company Secretary of the Company w.e.f. 14th February, 2022		
(c)	<b>the percentage increase in the median remuneration of employees in the financial year: 81.96%</b>	
(d)	<b>the number of permanent employees on the rolls of company: 12</b>	
(e)	<b>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</b>	
	The average increase in salaries of employees other than managerial personnel in 2021-22 was <b>123.51%</b> as compared to average increase in managerial remuneration which is <b>40.39 %</b> .	
(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

For and on behalf of the Board  
SRU Steels Limited

Apoorv Agarwal  
Managing Director  
DIN: 02763242

Naresh Kumar Garg  
Chairman & Director  
DIN: 00986846

Place: New Delhi  
Date: August 12, 2022

**Annexure -III**

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, 2022

(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	Apoorv Agarwal	Managing Director	9,00,000	Permanent	7	11/02/2021	31	Nil	11.51	Yes <sup>^</sup>
2	Arpit Agarwal	Employee	6,00,000	Permanent	5	11/02/2021	29	Nil	3.89	Yes <sup>^</sup>
3	Ramesh Agarwal	Employee	9,00,000	Permanent	43	04/01/2003	69	Nil	Nil	No
4	Ms. Shallu Garg*	Employee	3,06,500	Permanent	2.6	26/12/2019	26	Nil	Nil	No
5	Mr. Deepak <sup>#</sup>	Employee	60,000	Permanent	1.1	14/02/2022	25	Nil	Nil	No
6	Mr. Mukesh Kasana	Employee	6,27,500	Permanent	9	02/02/2016	29	Nil	Nil	No
7	Mr. Hitesh Somani	Employee	2,76,000	Permanent	28	23/06/2014	43	Nil	Nil	No
8	Mr. Satesh Kishan Gavli	Employee	1,95,000	Permanent	8	01/04/2018	34	Yes	Nil	No
9	Mr. Mohd Taiyab Shaikh	Employee	2,50,000	Permanent	9	01/12/2021	36	Yes	Nil	No
10	Mr. Prem Kumar Chaudhary	Employee	2,99,000	Permanent	11	01/04/2020	51	Yes	Nil	No
11	Ms. Parmeshwar Chaudhary	Employee	1,95,000	Permanent	7	01/11/2018	29	Yes	Nil	No
12	Mr. Saminder Charnaswar	Employee	2,60,000	Permanent	10	01/12/2021	38	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. Shallu Garg has resigned from the post of Company Secretary w.e.f. 20th January, 2022

<sup>#</sup> Mr. Deepak has been appointed as Company Secretary of the Company w.e.f. 14th February, 2022

<sup>^</sup> Mr. Apoorv Agarwal (Managing Director), Mr. Arpit Agarwal (Chief Executive Officer) and Mr. Richa Singla (Non-Executive Director) are brother and sister

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, 2022

Apoorv Agarwal  
Managing Director  
DIN: 02763242

Naresh Kumar Garg  
Chairman & Director  
DIN: 00986846



**Annexure-IV**  
**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**

(For the financial year ended 31<sup>st</sup> March 2022)

[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, 1<sup>st</sup> 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 31<sup>st</sup> Day of March 2022, (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 31<sup>st</sup> Day of March 2022, 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 (Share Based Employee Benefits) Regulations 2014 (up-to 12<sup>th</sup> August, 2021) and The Securities and Exchange Board of India (Share Based Employee

Benefits and Sweat Equity) Regulations 2021 (with effect from 13<sup>th</sup> August, 2021); (**Not applicable during audit period**)

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (up-to 15<sup>th</sup> August, 2021) and The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (with effect from 16<sup>th</sup> August, 2021); (**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) Regulations, 2009 (upto 09<sup>th</sup> June, 2021) & The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (with effect from 10<sup>th</sup> June, 2021); (**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 with respect to the Board and General Meetings.
- (ii) The Listing Agreement entered into by the Company with the BSE Limited (BSE) read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Date: July 11, 2022

Place: New Delhi

**Note:**

1. 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.

**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 except following observation

1. **It was observed that, the BSE vide its Letter No. DSC/DL/SK/IP/534/2017-18 dated October 27, 2017 had granted In-principal approval for Listing of 7,991,900 equity shares, however trading approval was granted only for 3,627,400 equity shares and 4,364,500 equity shares has been kept in abeyance.**

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

1. According to the report of Statutory Auditor of the company, the company has prepared its financial statements to comply with IND-AS.
2. During the year Mr. Deepak was appointed as a Company Secretary of the Company with effect from February 14, 2022

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

**ANAND KUMAR SINGH  
(Partner)**

**M. No : F10812**

**CP No : 9404**

**UDIN : F010812D000598102**

**'ANNEXURE A'**

To,  
The Member  
**SRU Steels Limited**  
**(CIN- L17300DL1995PLC107286)**  
A-48, 1<sup>st</sup> 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. Wherever 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 : F10812**

**CP No : 9404**

**UDIN : F010812D000598102**

**Date: July 11, 2022**

**Place: New Delhi**

**Annexure-V****FORMAOC - 2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**1. Details of Contracts or Arrangements or Transactions not at Arm's length basis:**

There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2022 which were not on arm's length basis.

**2. Details of Material Contracts or Arrangements or Transactions at Arm's length basis:**

<b>S. No.</b>	<b>Particulars</b>	<b>Details</b>
a.	Name(s) of the related party & nature of relationship	Anant Overseas Private Limited (other related party)
b.	Nature of contracts/arrangements/transactions	Sale, Purchase or Supply of stainless steels and such other steel product
c.	Duration of the contracts/arrangements/transactions	F.Y. 2021-22 to 2023-24
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	sale, purchase or supply of stainless steels and such other steel product on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 50 Crore (Rupees Fifty Crore Only) per financial year for a period of 3 (three) financial year, commencing from the financial year 2021-22 and up to and including the financial year 2023-24
e.	Date of approval by the Board/ Date of approval by the Shareholders	15 <sup>th</sup> December, 2021/21 <sup>st</sup> January, 2022
f.	Amount paid as advances, if any	N.A.

Definition of the term 'Material Contracts or Arrangements or Transactions' is taken as per Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

**Apoorv Agarwal  
Managing Director  
DIN: 02763242**

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

**Place: New Delhi  
Date: August 12, 2022**





## Corporate Governance Report

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

### 1. Corporate Governance: Philosophy

Corporate Governance essentially involves balancing the interests of various stakeholders of the Company, such as shareholders, Senior Management Executives, customers, suppliers, Government, and the community. A company's corporate governance is important to investors since it shows a company's direction and business integrity. Good corporate governance helps companies build trust with investors and the community. As a result, corporate governance helps promote financial viability by creating a long-term investment opportunity for market participants. The fundamental principal of Corporate Governance is achieving sustained growth ethically and in the best interest of all the stakeholders. It is not a mere compliance of rules and regulations but a commitment to values, best management practices and adherence to the highest ethical principles in all its dealings to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility.

The Company's philosophy of Corporate Governance aims to maximize long-term stakeholders value. It is a combination of many factors to achieve the objectives of transparency, full disclosure, a system of checks and balances between the Shareholders, Directors, Auditors and the Management. Integrity and transparency are key to our corporate governance practices and performance, and ensure that Company gain and retain the trust of our stakeholders at all times.

At SRU Steels Limited, it is imperative that our Company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. Company is committed to defining, following and practicing the highest level of corporate governance across all our business functions.

The Board is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

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) Regulations, 2015 with Stock Exchange.

### 2. Board of Directors

#### A. COMPOSITION OF BOARD:

The Board of Directors ('Board') is at the core of our corporate

governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholders' value. The Board has a fiduciary duty in ensuring that the rights of all stakeholders are protected. As on 31<sup>st</sup> March, 2022, the Board of Directors of your Company comprises of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. The Board composition is in conformity with Regulation 17 of the SEBI Listing Regulations read with Sections 149 and 152 of the Act.

The Company has an active, diverse, experienced and a well-informed Board. The Company currently has a right mix of the Directors on the Board who possess the requisite qualifications and experience in general corporate management, finance and other allied fields which enable them to contribute effectively to the Company in their capacity as Director of the Company. Detailed profile of the Director of the Company is available at [http://srusteels.in/aboutus\\_board\\_of\\_directors.html](http://srusteels.in/aboutus_board_of_directors.html)

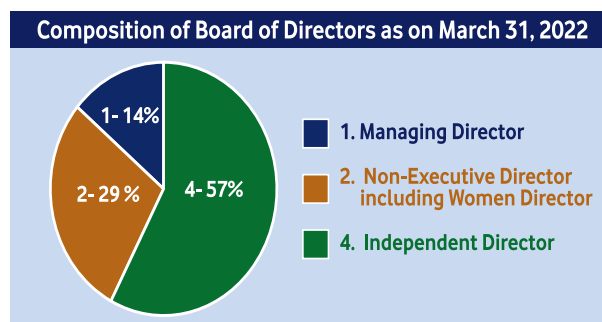
The Board composition of your Company as on 31<sup>st</sup> March, 2022 comprises of (7) seven directors out of which Six (6) Non-Executive Directors including the Chairman of the Board and One (1) is Executive Director designated as Managing Director.

Out of the above Six Non-Executive Directors, (4) Four are Independent Directors who have been appointed for their professional expertise and experience that they possess.

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 31.03.2022 is as follows:

Name & DIN of the Director	DIN	Designation	Category
Mr. Naresh Kumar Garg	00986846	Chairman	Non-Executive Director
Mr. Apoorv Agarwal	02763242	Managing Director	Executive Director
Mr. Rajiv Mittal	00082115	Director	Non-Executive Independent Director
Mr. Prem Prakash Agarwal	00081871	Director	Non-Executive Independent Director
Mr. Pankaj Jain	01234804	Director	Non-Executive Independent Director
Mr. Ashok Kumar Mahawar	02600539	Director	Non-Executive Independent Director
Mrs. Richa Singla	00082722	Director	Non-Executive Director

#### B. 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 2021-22, the members of the Board met 5 (five) 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 2021- June 2021	May 28, 2021
July 2021 - September 2021	August 13, 2021
October 2021- December 2021	November 12, 2021 December 15, 2021
January 2022- March 2022	February 14, 2022

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 Board meeting was held via video conferencing.

#### C. DETAILS OF ATTENDANCE OF DIRECTORS AT THE BOARD MEETING & LAST AGM

Sr. No	Name of the Directors	Category of Directorship	No. of Board Meetings Attended	Attendance at last AGM	Number of Directorships in other Companies	Committee Membership and Chairmanship in other Public Ltd. Co.	Shareholding in the Company	No. of shares held (as at March 31, 2022)
1.	Mr. Naresh Kumar Garg	Chairman - Non-Executive Director	05	Yes	0	NIL	NIL	NIL
2.	Mr. Apoorv Agarwal	Managing Director-Executive Director	05	No	0	NIL	Yes	920000
3.	Mr. Rajiv Mittal	Non-Executive & Independent Director	05	Yes	0	NIL	NIL	NIL
4.	Mr. Prem Prakash Agarwal	Non-Executive & Independent Director	05	Yes	0	NIL	Yes	36400
5.	Mr. Pankaj Jain	Non-Executive & Independent Director	05	Yes	0	NIL	NIL	NIL
6.	Mr. Ashok Kumar Mahawar	Non-Executive & Independent Director	04	Yes	0	NIL	Yes	29000
7.	Mrs. Richa Singla	Non-Executive Director	05	Yes	0	NIL	NIL	NIL



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.

As mandated by Regulation 17A of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, none of the Directors is a Director in more than 7 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(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of the directors on the Board is a member of more than 10 (ten) committee or hold offices as a Chairman of more than 5 (five) Committees (Committee being Audit Committee and Stakeholder Relationship Committee as per Regulation 26 (1) (b) of SEBI (Listing Obligation and Disclosure Requirement Regulation, 2015)

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	APOORV AGRWAL	NARESH KUMAR GARG	PANKAJ JAIN	ASHOK KUMAR MAHAWAR
<b>Strategy/ Business Leadership</b>	Experience in leading well-governed organization, with an understating of organizational system and process complex business.	Y	Y	-	Y	Y	Y	Y
<b>Experience of crafting business strategies</b>	Experience in developing long term strategies to grow business consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.	-	-	-	Y	-	-	-
<b>Finance &amp; Accounting</b>	Leadership experience in handling financial management of the organization along with an understanding of accounting and financial statements	Y	Y	-	Y	-	Y	-
<b>Industry Skills</b>	Knowledge of the steel industry the products and the market	Y	Y	Y	Y	Y	Y	Y
<b>Law and Policies</b>	Expert knowledge of Corporate Law	Y	Y	-	-	-	Y	Y
<b>Administration &amp; Public Relations</b>	Good understanding of working culture with Govt. Organizations	Y	Y	Y	Y	Y	Y	Y

#### E. 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.

across all the public companies in which he/she is a Director. The necessary disclosures regarding the committee composition have been made to all the directors.

None of the Directors hold the office in more than 10 public Companies as prescribed under Section 165 (1) of the Companies Act, 2013. Further as per Regulation 17A(1) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, none of the Non-executive Director serve as Independent Director in more than 7 (seven) listed entities.

#### D. 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.

#### F. 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 well in advance of the Board meetings along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. In addition, the Board is kept informed of all major events, including information listed under Part A of Schedule II to the SEBI Listing Regulations.

Based on the agenda, members of the senior leadership are invited to attend the Board Meetings, which brings in requisite accountability and provides developmental inputs.

#### G. 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.

#### H. Disclosure of Relationship of Director

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

Mr. Apoorv Agarwal, Managing Director, Mr. Arpit Agarwal, Chief Executive Officer and Mrs. Richa Singla, Non-Executive Director are brother and sister. Except the above none of the Directors is related to each other and there are no inter se relationships between the Directors.

The Company has not issued any convertible instruments; hence, disclosure in this respect is not applicable.

#### I. Independent Director

All the Independent Directors on the Company's Board are Non-Executive as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder and:

- In terms of Regulation 25(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Section 149 of the Companies Act, 2013, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations and that they are independent of the management. The maximum tenure of the Independent Director is in compliance with the Act. The Independent Director confirm the following:
- 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 per cent or more of the block of voting shares.
- In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA'). They are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA.

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

The Company currently has 4 Non-Executive Independent Directors. All Independent Directors of the Company have been appointed as per the provisions of the Act and the SEBI Listing Regulations. Formal letters of appointment have been issued to Independent Directors. As required by Regulation 46 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the terms and conditions of their appointment are disclosed on the Company's website at [www.srusteels.in](http://www.srusteels.in).

In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the Act and the SEBI Listing Regulations and are independent of the management

#### ii. Separate 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 08<sup>th</sup> March, 2022, without the presence of Non-Independent Director and members of management, 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.

In accordance with Listing Obligation and Section 149 (8) of the Companies act read with Schedule IV of the Act, 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:



- a) Performance of Non-Independent Directors and the Board of Directors as a whole.
- b) Performance of the Chairman of the Company taking into consideration the views of Executive and Non-Executive Directors.
- c) 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.

The Meeting was attended by all the Independent Director as on that date.

### iii. 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.

Pursuant to Regulation 46 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 details of familiarization programme may be accessed on the Company's website at <http://srusteels.in/pdfs/investorolicies/Familirisation%20Programme%20for%20Indepdent%20Directors.pdf>

## J. 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.

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 evaluated 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.

## 3. 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 Committees 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.

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 meetings held during the financial year and the related attendance are provided below.

i. **Audit Committee**

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

a) **Brief description of terms of reference of Audit Committee**

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

The 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 for appointment, re-appointment and if required, the replacement or removal of the auditor and approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- 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 of payment to statutory auditors for any other services rendered by the statutory auditor.
- Reviewing, with the Management, the Annual Financial Statements and Auditor's Report 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 clause (c) of sub-section (3) of Section 134 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;
  - Scrutiny of Inter-corporate loans and investments.
  - Reviewing with the Management, performance of the Statutory and Internal auditors, and 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
  - valuation of undertakings or assets of the listed entity, wherever it is necessary
  - Discussion with the Internal Auditors any significant findings and follow up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.



- 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.
- 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 review the functioning of the Whistle blower mechanism;
- To obtain outside legal professional advice and
- Reviewing compliance of legal and regulatory requirements
- Carrying out any other function as mentioned in terms of reference of the Audit Committee.

All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI (Listing Obligation and Disclosure Requirements) Regulation are covered in terms of reference of the Audit Committee.

Further, pursuant to Regulation 18(2) (c) of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Audit Committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary.

Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

#### b) Composition & Qualification of Audit Committee

Name	Category of Directorship	Designation in Audit Committee	Qualification & Experience	No. of Meetings Attended
Mr Rajiv 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 32 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 31 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 21 years of experience in the field of Real Estate development and construction. He is having a wide knowledge of Stainless Steel.	05

#### c) Meetings of Audit Committee

During the financial year 2021-22, Five (5) meetings of Audit Committee were held:

Quarter	Date of Meeting	Number of Members Present	Number of Independent Directors Present
April 2021 - June 2021	May 28, 2021	03	03
July 2021 - September 2021	August 13, 2021	03	03
October 2021- December 2021	November 12, 2021	03	03
	December 15, 2021	03	03
January 2022-March 2022	February 14, 2022	03	03

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

Mr. Deepak, Company Secretary acts as the Secretary to the Audit Committee.

## ii. Nomination & Remuneration Committee

The Nomination and Remuneration Committee ("NRC") function in accordance with 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. The NRC is responsible for evaluating the balance skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures. Further, the Committee is also responsible for formulating policies as to remuneration, performance evaluation, Board diversity, etc. in line with the Act and the SEBI Listing Regulations.

### a. 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:

- Formation of the criteria for determining qualifications, positive attributes and Independent of a director and recommend to the board of directors of the company a policy relating to remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
- Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- Devising a policy on diversity of board of directors;
- 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;
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent director;
- Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and its Committees.

- 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 recommend to the board, all remuneration, in whatever form, payable to senior management.. The Committee shall also review, appraise and approve such other matter(s) as the board may recommend to it.

### b. 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

Four meeting of the Committee were held during the year under the review and the same were attended by all the members of Committee.

### c. Dates & number 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 Absent
April 2021 - June 2021	May 27, 2021	03	Nil
July 2021 - September 2021	August 12, 2021	03	Nil
October 2021 - December 2021	December 03, 2021	03	Nil
January 2022 - March 2022	February 14, 2022	03	Nil

### d. Performance evaluation criteria for independent directors

The Performance evaluation criteria for independent directors include effective deployment of knowledge and expertise, commitment to his/her role towards the company and various stakeholders, willingness to devote time and efforts towards his/her role, high ethical standards, adherence to applicable





codes and policies, effective participation and application of objective independent judgment during meetings, etc. On the basis of performance evaluation of Independent Directors, it is determined whether to extend or continue their term of appointment, whenever their respective term expires.

**e. Policy on Board Diversity**

Pursuant to the provisions of the Companies Act, 2013 and under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 the Nomination and Remuneration Committee (NRC) of the Company provides a framework for ensuring diversity of the Board members based on factors, such as gender, age, qualifications, professional experience, expertise, skills and ability to add value to the business.

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

- (a) Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; an
- (b) 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

**iii. Stakeholders' Relationship Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the stakeholder Relationship Committee (SRC) looks into various aspects of interest of stakeholders. The Committee ensures cordial investor relation and oversees the mechanism for redressal of investor's grievances. The term of references shall inter alia include:

- 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.
- Monitor expeditious redressal of Investors' grievances;
- Consider all matters related to all security holders of the Company
- 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 **2021-22, the Committee met on June 18, 2021, September 13, 2021, November 29, 2021, and March 08, 2022** 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 Apoorv Agarwal	Executive Director	Member
Mr Prem Prakash Agarwal	Non-Executive & Independent Director	Member

**b) Name and designation of Compliance Officer**

Mr Deepak  
 Company Secretary & Compliance Officer,  
 SRU Steels Limited  
 A-48, 1st Floor, Wazirpur Industrial Area Delhi-110052  
 Ph. No: 011-27373622  
 Email Id: [srusteels@yahoo.in](mailto:srusteels@yahoo.in)

**c) Status of Investor Complaint**

Status of Investor Compliant as on March 31, 2022 as reported under Regulation 13(3) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 is as under:

<b>Compliant pending as on April 01, 2021</b>	Nil
<b>Received during the year</b>	Nil
<b>Resolved during the year</b>	Nil
<b>Pending as on March 31, 2022</b>	Nil

**K. 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:

- 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;
- To lay down criteria for determining qualification, positive attributes and Independence of a Director;
- To lay down criteria relating to remuneration of directors, key managerial personnel and other employees;
- To retain, motivate and promote exceptional talent and to ensure long term sustainability of the talented managerial persons and create competitive advantage;
- 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.

**Particulars of Directors' Remuneration during the financial year 2021-22:**

The details of remuneration paid to the Directors during the year ended March 31, 2022 are given below:

**a) Annual General Meetings:**

AGM	Year	Date, Day and Time	Venue	Brief Description of Special Resolution
26 <sup>th</sup>	2020-21	30 <sup>th</sup> September, 2021 at 2:00 P.M.	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) deemed venue registered office of the Company	No Special Resolution was passed in the meeting
25 <sup>th</sup>	2019-20	30 <sup>th</sup> September, 2020 at 2:30 P.M.	Through Video Conferencing (VC)/Other Audio Visual Means (OAVM) deemed venue registered office of the Company	No Special Resolution was passed in the meeting
24 <sup>th</sup>	2018-19	30 <sup>th</sup> September, 2019 at 11:00 A.M.	Ground Floor, Khasra No 21/5, Nanpli Poona, North West Delhi, Delhi-110036	5 (Five) Special Resolutions were passed in this meeting

**b) Postal Ballot**

During FY 2021-22, the Company sought the approval of the shareholders by way of postal ballot, through notice dated December 15, 2021, on the following Resolution(s):

S. No.	Description of Resolution
1.	Approval for giving loan to companies in which directors are interested
2.	Increase in the threshold of loan/guarantees, providing of securities and making of investments in securities under Section 186 of the Companies Act, 2013
3.	To approve Related Party Transaction

Directors	Salary (₹)	Perquisites (₹)	Sitting Fees (₹)	Total (₹)
Mr. Apoorv 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 Singla	-	-	-	-
Total	9,00,000	-	-	9,00,000

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.

**4. General Body Meetings:**

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



The details of e-voting on the aforementioned resolution(s) are provided hereunder:

Description of the Resolution	Votes in favour of the resolution (s)			Votes against the resolution (s)			No. of Invalid Votes	
	No. of Members Voted	No. of Shares held	% of total votes cast	No. of Members Voted	No. of Shares held	% of total votes cast	No. of members	No. of Votes
Approval for giving loan to companies in which directors are interested	63	7167502	99.63	11	26392	0.37	Nil	Nil
Increase in the threshold of loan/ guarantees, providing of securities and making of investments in securities under Section 186 of the Companies Act, 2013	63	7167502	99.63	11	26392	0.37	Nil	Nil
To approve Related Party Transaction	65	7183202	99.85	9	10692	0.15	Nil	Nil

The Resolution(s) were passed with requisite majority.

The Board of Directors had appointed M/s Avinash Pandey & Associates, Practicing Company Secretaries (Membership No: F9018) as the Scrutinizer to scrutinize the postal ballot process in a fair and transparent manner. The voting period for remote e-voting commenced on Thursday, December 23, 2021 at 9.00 a.m. (IST) and ended on Friday, January 21, 2022 at 5.00 p.m. (IST). The consolidated report on the result of the postal ballot through remote e-voting for approving aforementioned resolutions was provided by the Scrutinizer on Saturday, January 22, 2022.

#### Procedure for Postal Ballot:

The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021 and Circular No. 20/2021 dated December 8, 2021, issued by the Ministry of Corporate Affairs.

#### Details of special resolution proposed to be conducted through postal ballot:

No Special Resolution is proposed to be conducted through Postal Ballot.

#### 5. Means of Communication

- **Financial Results:** The quarterly/half-yearly/annual financial results are published within the timeline stipulated under SEBI Listing Regulations. The results are uploaded on BSE portal within stipulated time period. 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. They are also available on the website of the Company at [www.srusteels.in](http://www.srusteels.in)
- **Newspapers wherein results normally published:** 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
- **Any website, where displayed:** The results of the Company are displayed on the Company's website: [www.srusteels.in](http://www.srusteels.in)

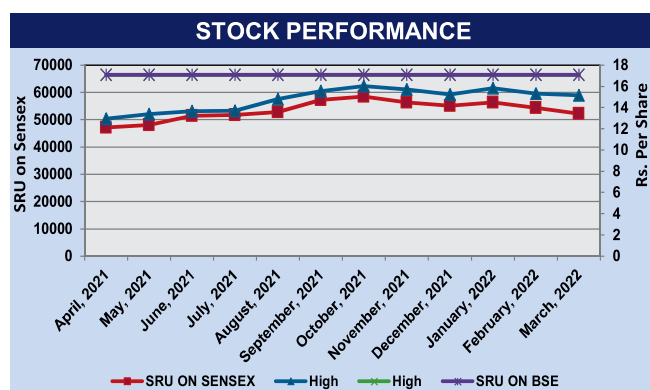
- **Whether it also displays official news releases:** Official news releases, if any along with quarterly results are displayed on the Company's website: [www.srusteels.in](http://www.srusteels.in)
- **Presentations made to institutional investors or to the analysts:** There are no presentations made to the investors / analysts.
- **Company Website:** Comprehensive information about the Company, its business and operations can be reviewed on the Company's website [www.srusteels.in](http://www.srusteels.in). The "Investor Relation" and "Shareholder Desk" sections on the website give the information about results, annual reports, Shareholding Pattern.

#### 6. General Shareholder Information:

a)	<b>Annual General Meeting</b> (Date, Time & Venue)	26 <sup>th</sup> September, 2022: Time: 2:00 P.M. (IST); Being held through video conferencing and Other Audio Visual Means (VC/OAVM)
b)	<b>Financial Year</b>	1 <sup>st</sup> April to 31 <sup>st</sup> March
c)	<b>Financial Calendar 2022-23 (Tentative &amp; Subject to Change)</b>	1. First Quarter results – 12 <sup>th</sup> August, 2022. 2. Second Quarter results – 2nd week of November, 2022. 3. Third Quarter results – 2nd week of February 2023 4. Audited yearly results for the year March 31, 2023 - Last week of May 2023
d)	<b>Date of Book Closure</b>	Tuesday, September 20, 2022 to Monday, 26 <sup>th</sup> September, 2022
e)	<b>Dividend Record (Last three years)</b>	Financial Year 2020-2021 - NIL Financial Year 2019-2020 - NIL Financial Year 2018-2019 - NIL
f)	<b>Dividend Payment date for FY 2021-22</b>	No dividend was declared during the financial year 2021-22.
g)	<b>Listing on Stock Exchanges</b>	Shares of the Company are listed on BSE Limited w. e f 2nd February, 2018 BSE: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 The annual listing fee for the financial year 2022-23 is required to be paid to the Stock Exchange.
h)	<b>Scrip Code</b>	540914
i)	<b>ISIN NO.</b>	INE425C01017

j) **Market Price Data Monthly High and Low quotation of shares traded on BSE during the year 2021-22.**

Month End	Sensex		SRU Steels	
	High	Low	High	Low
April, 2021	50375.77	47204.5	17.10	17.10
May, 2021	52013.22	48028.07	17.10	17.10
June, 2021	53126.73	51450.58	17.10	17.10
July, 2021	53290.81	51802.73	17.10	17.10
August, 2021	57625.26	52804.08	17.10	17.10
September, 2021	60412.32	57263.9	17.10	17.10
October, 2021	62245.43	58551.14	17.10	17.10
November, 2021	61036.56	56382.93	17.10	17.10
December, 2021	59203.37	55132.68	17.10	17.10
January, 2022	61475.15	56409.63	17.10	17.10
February, 2022	59618.51	54383.2	17.10	17.10
March, 2022	58890.92	52260.82	17.10	17.10



k) **Registrar & Transfer Agents (both for Electronic & Physical Segment)**

As per Regulation 7 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 Every Listed Entity is required to appoint Share transfer agent. Accordingly, Company has appointed **Beetal Financial & Computer Services (P) Ltd** as its RTA for both segments, physical and electronic As required under Regulation 7(3) of the Listing Regulations, the Company files on yearly basis, certificate issued by RTA and compliance officer of the company certifying that all activities in relation to share transfer facility are maintained by RTA registered with SEBI.

**Details of RTA**

**Beetal Financial & Computer Services (P) Ltd**

**Address:** 3rd Floor, 99 Madangir, BH-Local Shopping Complex Near Dada Harsukhdas Mandir, New Delhi-110062

Contact Person: Mr Bhawendra Jha

l) **Share Transfer Systems**

All share transfer and other communications regarding share certificates, change of address, dividends, etc. should be addressed to the RTA. The Company has stopped accepting any fresh lodgement 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 yearly certificates from the Company Secretary in practice for due compliance of share transfer formalities.

m) **Distribution of Shareholdings as on March 31, 2022:**

Range (in Shares)		No. of Shareholders	No. of Shares	% of Total
From	To			
1	5000	33	9000	0.11
5001	10000	49	48200	0.60
10001	20000	8	14100	0.17
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	67	7767300	97.19
<b>Total</b>		<b>181</b>	<b>7991900</b>	<b>100.00</b>

**Shareholding Pattern of the Company as on March 31, 2022:**

Category	No. of Shares	%
<b>Promoters</b>	1547000	19.36
Banks, Financial Institutions & FIIs	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, 2022.**

n) **Reconciliation of Share Capital audit**

Reconciliation of Share Capital Audit is conducted on quarterly basis by a Qualified Practicing Company Secretary to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Service Limited (CDSL) with the total issued and listed Capital. The Reports are placed before the Board of Directors for its perusal and are submitted to the concerned Stock Exchanges where the shares of the Company are listed for trading. 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 08<sup>th</sup> of April, 2022 for the year ended 31<sup>st</sup> March, 2022 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.

**o) Dematerialization of Shares**

The Company's shares are available for dematerialisation on both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Service Ltd. (CDSL).

(i) Dematerialization of Shares as on 31<sup>st</sup> March, 2022

Particular Dematerialization	Number of Shares	Percentage (%)
NSDL	363181	4.544
CSDL	6418519	80.313
<b>Sub-Total:</b>	<b>6781700</b>	<b>84.857</b>
Physical:	1210200	15.143
<b>Total:</b>	<b>7991900</b>	<b>100.00</b>

**List of Top 10 Shareholders (other than Promoters) as on March 31, 2022**

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.	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 Kali Das Chauhan	89600
10.	Mr Sushil Goel	85400
<b>Total</b>		<b>4379200</b>

**p) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;**

There are no outstanding GDRs/ ADRs/ Warrants or any other convertible instruments.

**q) Address for Correspondence** A-48, 1st Floor, Wazirpur Industrial Area, Delhi-110052.

**r) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

Commodity price risk or Foreign Exchange risk and hedging Activities are not applicable to the Company

**s) Credit Rating:**

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 mobilization of funds in India or abroad.

**7. Other Disclosures**

**a) 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 2021-22, 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 ended March 31, 2022. Transactions with related parties are disclosed in Note no. 35 of the Financial Statements.

**b) 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.

SRU Steels Limited has complied with all the requirements of regulatory authorities, *No penalties/ strictures were imposed on the Company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.*

**c) Establishment of Vigil Mechanism/Whistle Blower Mechanism**

In terms of Section 177(9) of the Companies Act, 2013 read with Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism/Whistle Blower policy as recommended by the Audit Committee has been adopted by the Board of Directors of the Company.

The policy provides a formal mechanism for all employees of the Company to approach the Chairman of the Audit Committee of the Company and no personnel has been denied access to the audit committee and make protective disclosures about the unethical behavior, actual or suspected fraud, or violation of the Company's Code of Conduct.

The disclosures reported are addressed in the manner and within the time frames prescribed in the policy. Under the policy, each employee has an assured access to the Ethics Chairman of the Audit Committee.

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

**d) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company has complied with all the applicable mandatory requirements as specified in the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and the non-mandatory have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

**e) Web link where policy for determining material subsidiaries is disclosed:**

Company do not have any subsidiary, therefore the Company is not required to make a policy for determining material subsidiary.

**f) 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 2021-22.

**g) Web link where policy on dealing with related party transactions**

Web link of policy dealing with related party transactions is available at <http://www.srusteels.in/pdfs/investor-policies/Policy-on-Related-Party-Transactions-2022.pdf>

**h) Disclosure of commodity price risks and commodity hedging activities.**

Disclosure of commodity price risks and commodity hedging activities is not applicable to the Company.

**i) Certificate from Company Secretary in Practice regarding disqualification of Directors**

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. The requisite certificate is annexed as **Annexure- A**.

**j) There were no instances where the Board had not accepted any recommendation of any committee during the financial year.****k) Fees to Statutory Auditors**

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

**l) 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 2021-22, no complaint was received by the committee. As such, there are no complaints pending as at the end of the financial year.

**m) Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations:**

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.

**n) 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 requirements of the Corporate Governance with respect to Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**o) 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. IND AS has replaced the existing Indian GAAP prescribed under section 133 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, 2022 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

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

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

**q) Affirmed compliance with the code of conduct of board of directors and senior management**

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 the 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 compliances with the applicable Code of Conduct. The declaration by the Chief Executive Officer under Schedule V sub-clause (D) 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 31st March, 2022 is attached to this Corporate Report. The declaration received has been attached as **Annexure –B** to this report.

The code has also been displayed on the Company's website <http://srusteels.in/pdfs/investor-policies/Code%20of%20Conduct%20%20Board%20%20&&%20Senior%20Management.pdf>

**r) Compliance Certificate from Practicing Company Secretary on Corporate Governance**

As required under **Schedule V sub-clause (E)** and 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 as **Annexure -C**

**s) 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 of the Annual General Meeting. The director has furnished the requisite consent/declaration(s) for his reappointment.

**t) 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>

**u) 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.

**v) Disclosure on demat Suspense Account/unclaimed Suspense Account**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the listed entity shall disclose the details with respect to Demat Suspense Account/Unclaimed Suspense Account in its annual report, as long as there are shares in the unclaimed suspense account. There are no shares of the Company which lying in the demat suspense Account and Unclaimed Suspense Account.

**w) 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>.**

**x) 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.**

**y) 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)

**z) 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).

**aa) 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 reimbursement of expenses is incurred in the performance of his duties.

**II. Shareholders Rights**

The half yearly financial 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.

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

**Apoorv Agarwal  
Managing Director  
DIN: 02763242**

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

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

**Place: New Delhi  
Date: August 12, 2022**



**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****CIN: L17300DL1995PLC107286**A-48, 1<sup>st</sup> 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, North West Delhi, 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) 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 31<sup>st</sup> March, 2022 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**

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 Singla	00082722	23/06/2014
4	Mr. Naresh Kumar Garg	00986846	03/10/2006
5	Mr. Pankaj Jain	01234804	01/01/2007
6	Mr. Ashok Kumar Mahawar	02600539	01/05/2009
7	Mr. Apoorv Agarwal	02763242	11/02/2021

\*the date of appointment is as per the MCA portal.

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. -F10812

COP No.: 9404

UDIN: F010812D000607320

Date: 12/07/2022

Place: Delhi

Annexure -B

**DECLARATION BY CHIEF EXECUTIVE OFFICER 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, Arpit Agarwal, Chief Executive Officer 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 31<sup>st</sup> March, 2022 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**

**Place: New Delhi  
Date: 12<sup>st</sup> August, 2022**

**Arpit Agarwal  
Chief Executive Officer**

**CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members of  
**SRU Steels Limited**  
**CIN: L17300DL1995PLC107286**  
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 31<sup>st</sup> March, 2022 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 31<sup>st</sup>March, 2022.
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 Anand Nimesh & Associates**  
**Company Secretaries**

**Anand Kumar Singh**  
**(Partner)**

**M. No. F10812**

**COP No: 9404**

**UDIN: F010812D000607606**

**Date: 12/07/2022**

**Place: 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 Chief Executive Officer and Chief Financial Officer of **SRU Steels Limited** (the company), to the best of our Knowledge and belief certify for the financial year ended 31<sup>st</sup> March, 2022 that:

- (a) We have reviewed the IND-AS financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2022 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 our 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 we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
- (i) Significant changes in internal control over financial reporting during the year;
  - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) That no instances of significant fraud have come to our notice.

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

**Arpit Agarwal  
Chief Executive Officer**

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

**Hitesh Laxmikant Somani  
Chief Financial Officer**

**Place: New Delhi  
Date: 30 May, 2022**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. INDUSTRY STRUCTURE AND DEVELOPMENTS

#### 1. GLOBAL ECONOMY

The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have reimposed mobility restrictions. Rising energy prices and supply disruptions have resulted in higher and more broad-based inflation than anticipated, notably in the United States and many emerging market and developing economies. Further, the ongoing retrenchment of China's real estate sector and slower-than-expected recovery of private consumption and the ongoing tension between Russia and Ukraine have limited the growth prospects.

Elevated inflation is expected to persist longer, with ongoing supply chain disruptions and high energy prices continuing in 2022. Risks to the global baseline are tilted to the downside which is primarily brought by the new COVID-19 variant which may prolong the pandemic and induce renewed economic disruptions. Moreover, supply chain disruptions, energy price volatility, and localized wage pressures have enhanced the uncertainty around inflation and policy paths. Other global risks may crystallize with the surging geopolitical tensions, and the ongoing adverse climate conditions leading to the probability for natural disasters. With the pandemic continuing to maintain its grip, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments have become essential to mitigate the risks posed by new variants of COVID-19. Monetary policy in many countries will need to curb inflationary pressures, while fiscal policy will need to prioritize health and social spending.

#### 2. INDIAN ECONOMY

India GDP grew by 8.7 % in F.Y. 2021-22 compared to a contraction of 6.6% in F.Y. 2020-21. Despite the impact of second wave during early part of the financial year, economic activity has continued to recover primarily driven by government induced capex growth. The manufacturing sector has been in expansionary mode compared to contraction a year ago. Moving to services sector, growth was subdued but it has gained momentum since Q4 F.Y. 2021-22 post decrease in the number of COVID infections and increase in – vaccination rate. Inflation though continues to remain elevated at 5.3%. India's GDP is estimated to grow between 8-8.5% in F.Y. 2022-23 on the back of strong post-pandemic economic recovery, and a growth-oriented budget, which focuses on infrastructure and other capital spending. However, high inflation, increasing oil prices and supply distortions are a "drag on growth".

Amidst the challenges brought by the COVID-19 pandemic leading to disruptions in supply chain and surging inflation rate, the Indian Government introduced various policies to cushion the impact on the domestic economy and in specific vulnerable sections of society and the business sector. Through its policies, the Government significantly increased capital expenditure on infrastructure projects to build back medium-term demand and aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion. With the vaccination programme having covered the majority of the population, recovering economic momentum and the likely long-

term benefits of supply-side reforms in the pipeline, the Indian economy is in a good position to witness GDP growth in coming years.

### B. OVERVIEW

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the FY 2021-22. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, ("Act") as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

This Management Discussion & Analysis report presents the key performance highlights of the year 2021-22, 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.

### C. OUTLOOK

In 2022, Global growth is expected to moderate to around 3.6%, a 0.8 percentage point lower growth than what was envisioned in the last World Economic Outlook (WEO) of January 2022, largely reflecting forecast markdowns in USA and China. In USA, a revised assumption of removing the Build Back Better fiscal policy package from the baseline, earlier withdrawal of monetary accommodation, and continued supply shortages have induced a downgrade in the outlook by 1.2 percentage points. In China, pandemic-induced disruptions related to the zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade.

Elevated inflation and shift in policy stance of global central banks, and continued supply shortages as pent up demand fades poses further downside risk to growth. More recently, Russia Ukraine conflict has added to the uncertain environment around inflation and central bank policy by weighing on energy prices, commodity supplies including steel and food supply chains. These downside risks are likely to be partially offset by global economies focus on digital transformation and productivity improvements, as well as long-term investments for physical and social infrastructure.

India has consistently witnessed steel imports declining, and exports and consumption increasing, and steel capacities being created. The industry is getting increasingly competitive and catering to an ever-evolving global user industry. Domestic consumption will continue to be robust, and apparent consumption of steel will continue to grow. With the government's increased investments on public infrastructure, the real demand is also expected to be steady. Sectors such as appliances, housing and government projects are expected to contribute towards 7-8% growth in steel demand in FY 2022-23.

India's consumption is expected to increase to 114 MnT in FY 2022-23, up 7.5% from a year ago. This growth will be driven largely by the government's enabling policy initiatives and supplemented by a very

healthy revival in the country's domestic demand. Strong positive trends are noticeable across real estate, infrastructure, automobiles, white goods and engineering goods, and the solar energy sector. Domestic demand will see further increase as more and more industries leverage the economic incentives offered under the PLI scheme to reduce the country's imports.

Export demand is also likely to be robust, both in the short-term and in the long run, as India benefits from the spillover impact of the Russia-Ukraine crisis and moves up the steel value chain.

#### D. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis 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.

#### E. INDIAN STEEL INDUSTRY

As of October 2021, India was the world's second-largest producer of crude steel, with an output of 9.8 MT. In October 2021, the production of crude steel in India stood at 9.8 MT (million tonnes). India's crude steel production in F.Y. 2021-22 increased by 16%, to reach 120 MnT. In F.Y. 2021-22 (till January), production of finished steel stood at 92.82 MT. The consumption of finished steel stood at 86.3 MT in F.Y. 2021-22 (till January).

The domestic steel sector witnessed a strong revival in F.Y. 2021-22 surpassing the pre COVID - 19 level because of a combination of factors like strong retail demand, green shoots of recovery in white goods and the automobile sector, especially passenger vehicles, tractors, and commercial vehicles. The central government's call for Aatmanirbar Bharat has given a whole new dimension to the nation. Some of the recent Government initiatives in the Steel Industry include the PLI scheme for specialty steel, Memorandum of Cooperation (MoC) with the Ministry of Economy, Trade and Industry, Government of Japan, to boost the steel sector through joint activities, introduction of National Steel Policy 2017 and allowing 100% Foreign Direct Investment (FDI) in the steel sector under the automatic route. According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), between April 2000-December 2021, Indian metallurgical industries attracted FDI inflows of US\$ 16.1 billion.

The Government's National Steel Policy 2017 aims to increase the per capita steel consumption to 160 kgs by 2030-31. The Government has also promoted policy which provides a minimum value addition of 15% in notified steel products covered under preferential procurement.

In 2019, the Government introduced Steel Scrap Recycling Policy with an aim to reduce import. The industry is also benefitting from the developments happening across various industries. The new Vehicle Scrapage policy will help in reducing the steel prices since the policy enables recycling the materials used in old vehicles.

This high demand is likely to continue in F.Y. 2023-24 backed by an uptick in the overall consumption. Construction and infrastructure remain the biggest sector driving the demand for steel. The Government's focus on developing the infrastructure sector is visible

in the union budget for 2022-23 with several announcements on new roads and highways, railways, cargo terminals, National Ropeways Development Program for hilly areas and housing projects. This is also helping Commercial Vehicle segment to register a robust growth. The Automobile industry has seen a recovery from Oct'21 onwards the back of an increased affinity for personal mobility amid the pandemic, and the demand outlook for the next fiscal year remains upbeat with an expected growth rate of 7-8% but geopolitical tension, fuel inflation and price hikes pose significant downward risk too.

The Russia-Ukraine conflict has caused panic in the market about supply shortage with the result that prices have moved north radically, be it iron ore or coking coal. Prices of steel have also responded to the crisis but its northward movement so far has been limited. Increasing risk of procurement, constraints of financial approval, non-accessibility due to port blockage, growing uncertainty about availability, rising safety and security concerns are among the major factors that have driven sentiments in the commodity markets around the world. To what extent, steel prices would be impacted hinges significantly on the extent of aggravation of the Russia-Ukraine crisis and its longevity.

#### 1. GOVERNMENT INITIATIVES

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

- Under the Union Budget 2022-23, the government allocated ₹ 47 crore (US\$ 6.2 million) to the Ministry of Steel.
- In October 2021, the government announced guidelines for the approved specialty steel production-linked incentive (PLI) scheme.
- A MoU has been signed between Ministry of Steel and the Russian Federation on 14th October, 2021 for cooperation in the field of coking coal, used for steel making.
- The cumulative CAPEX by steel CPSEs for April-November of the current fiscal at ₹ 5781.1 crore is 75.7% higher than CAPEX during CPLY. The CAPEX for April-November, 2021 was 43.5% of the BE target.
- Ministry of Steel has been proactively taking up issues related to National Infrastructure Pipeline projects of steel companies with concerned Central/State Government, Ministries/Department through Inter-Ministerial Steering Committee (IMSC) meetings
- Procurement of goods and services through GeM by Steel CPSEs has increased significantly over the year with the value of orders during April-November, 2021 being 4943.14 % higher over CPLY.
- To promote steel usages in various sectors, Ministry of Steel has been jointly organising workshops/ Webinars to spread the awareness for benefits of enhanced steel usage in various sectors. Ministry of Steel has also formed a Committee of experts from INSDAG, IITs, Ministry of Road Transport and Highways (MoRTH) and industry experts for development of designs for long span (30m, 35m, and 40m) steel based Bridges. The design for 30 m is being vetted by the experts for finalisation.
- The steel sector immensely contributed in meeting the Liquid Medical Oxygen (LMO) requirement of the nation during the second wave of COVID-19. The supply of LMO from the steel plants which was only 538 tonnes as on 1st April 2021 was quickly scaled up to touch the peak of 4749 tonne on 13th May 2021. The steel plants have also set up jumbo Covid care facilities using gaseous oxygen around their plants with a capacity of around 5,500 beds.



- 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 recently announced Gati Shakti Master Plan will complement the ₹ 100 lakh crore investment plan by the Government for infrastructure development over the next five years. The Gati Shakti Master Plan takes a holistic approach to sector-specific developments to implement and monitor ₹ 100 lakh crore of investment. The various initiatives such as Bharatmala, Sagarmala, etc. will boost the demand of steel in various sectors thereby enhancing steel usage

## 2. 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. The government has a fixed objective of increasing rural consumption of steel from the current 19.6 kg/per capita to 38 kg/per capita by 2030-31.

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

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

- In October 2021, JSW Steel invested ₹ 150 billion (US\$ 19.9 million) to build a steel plant in Jammu and Kashmir and boost manufacturing in the region.
- In October 2021, Arcelor Mittal and Nippon Steel Corp.'s joint venture steel firm in India, announced a plan to expand its operations in the country by investing ₹ 1 trillion (US\$ 13.34 billion), over 10 years.
- In August 2021, Tata Steel announced to invest ₹ 8,000 crore (US\$ 1.08 billion) in capital expenditure to develop operations in India in FY22.
- In August 2021, Arcelor Mittal announced to invest ₹ 1 lakh crore (US\$ 13.48 billion) in Gujarat for capacity expansion.
- In August 2021, Tata Steel announced to invest ₹ 3,000 crore (US\$ 404.46 million) in Jharkhand to expand capacities over the next three years.
- In August 2021, Jindal Steel & Power Ltd. announced plans to invest US\$ 2.4 billion to increase capacity over the next six years to meet the rising demand from customers.
- Between April 2000-December 2021, Indian metallurgical industries attracted FDIs of US\$ 16.1 billion.
- In the next three years from June 2021, JSW Steel is planning to invest ₹ 47,457 crore (US\$ 6.36 billion) to increase Vijayanagar's steel plant capacity by 5 MTPA and establish a mining infrastructure in Odisha.

## 3. ROBUST DEMAND

India's finished steel consumption is anticipated to increase to 230 MT by 2030-31 from 86.3 MT in F.Y. 2021-22. India's crude

steel production stood at 118 million tonne (MT) in 2021-22, up from 104 MT in 2020-21. To drive post COVID-19 economic recovery, for the government has planned investments in roads, railways, metro connectivity, industrial parks, industrial corridors, DFC, transportation of water, oil and gas, transmission towers, affordable housing. All these sectors will drive demand for steel.

## F. OPPORTUNITIES

Over the past few years, increasing awareness on the various benefits of stainless steel has been leading to a substantial increase of its usage in various applications in railways, automobile, process industries, building and construction. Additionally, various initiatives undertaken by the Indian Government have been giving significant impetus to the domestic stainless steel industry. Demand for steel from different sectors will drive steel industry.

### Automotive Industry

The automotive industry is forecast to reach US\$ 260- 300 billion by 2026. The industry accounts for around 10% of the demand for steel in India. With increasing capacity addition in the automotive industry, demand for steel from the sector is expected to be robust.

### Capital Goods

The capital goods sector accounts for 11% of the total steel consumption and is expected to increase 14-15% by 2025-26. It has the potential to increase in tonnage and market share. Corporate India's capex is expected to grow and generate greater demand for steel.

### Infrastructure Sector

The infrastructure sector accounts for 9% of steel consumption and is expected to increase to 11% by 2025-26. Due to rising investment in infrastructure the demand for steel products would increase in the years ahead. 70% of the country's infrastructure, estimated at ₹ 6 lakh crore (US\$ 89.50 billion), is yet to come up. Thus, a significant growth potential for steel sector is present. For various infrastructure sectors, including real estate and power, the Ministry of Finance planning to set up a stress fund.

### Airports Industry

More and more modern and private airports are expected to be set up. In FY19, passenger traffic at Indian airports stood at 344.69 million. Development of tier II city airports will sustain consumption growth. Estimated steel consumption in constructing airports is likely to grow more than 20% over the next few years.

### Railways Industry

The Dedicated Rail Freight Corridor (DRFC) network expansion would be enhanced in the future. Introduction of high-speed bullet trains and metro trains will increase steel usage. Gauge conversion, setting up of new lines and electrification would drive demand for steel. The Indian Railways is planning to procure over 11 lakh tons of steel from the Steel Authority of India Limited (SAIL) for track renewal and laying new lines across the country.

### Oil and Gas Industry

India's primary energy consumption of oil and gas is expected to increase to 10 mbpd and 14 bcf, respectively, by 2040. This would lead to an increase in demand of steel tubes and pipes, providing a lucrative opportunity for the steel industry.

### Power Industry

The Government has envisaged capacity addition of 58,384 MW from conventional sources between 2017-22. Also, the Government is targeting to achieve 175 GW of renewable power generation capacity by 2022. This will lead to enhancement in both transmission and distribution capabilities, thereby raising steel demand from the sector.

### THREATS

COVID-19 disruptions in national and international markets. • Continuous environmental pressures leading to process/ equipment related changes. • The Divergent global market environment • Geopolitical conflict leading to increase in raw material prices for steel manufacturing.

### 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 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:

FY. 2021-22 has been a roller-coaster ride, starting with oxygen crisis during the second wave of COVID-19, drop in auto production due to semi-conductor shortage, volatility in coal & energy prices in the subsequent quarters and finally ending on tensed geo-political scenario resulting in shift in trade dynamics. High raw material prices have pushed steel prices and aided in maintaining margins at last year's level.

Key Risks in F.Y. 2021-22 which have had a large bearing on the business are as follows: Rising inflation, geopolitical issues disrupting supply chains, heightened volatility in the commodity prices, increasing regulatory compliances, ongoing semi conductor chip shortages, ageing equipment and safety related hazards.

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

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company believes in systematic working and placing appropriate internal control systems and checks. Proper checks and systems are in place and regular reviews are held by the Head of Department and Senior Management to check that the systems and controls are adhered. The reviews also prescribe changes wherever required.

### SRU STEELS OPERATIONS

The Company operates in the single business segment of trading in various types of Stainless 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 2021-22, the SRU Steels Ltd reported ₹ 31,08,159 profit before tax as against a profit Rs. 28,82,907 in financial year 2020-21.

### FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

#### Abridged Statement of Profit and Loss

(Amount in Lakhs)

Particulars	2021-22	2020-21	Growth %
Revenue from Operations	1409.94	2,625.15	-46.29
Other Income	95.19	82.80	14.96
<b>Total Revenue</b>	<b>1505.13</b>	<b>2,707.96</b>	<b>-44.41</b>
<b>Expenses</b>			
Purchase	1315.89	2,317.45	-86.47
Change in inventory	(24.61)	101.14	-124.33
Employees benefits expenses	48.92	29.56	65.49
Finance Cost	14.52	45.92	-68.37
<b>Depreciation and Amortisation</b>	<b>10.60</b>	<b>13.38</b>	<b>-20.77</b>
Other Expenses	108.73	171.68	-36.66
Total Expenses	1474.05	2,679.13	-44.98
PBT	31.08	28.83	7.80
Tax Expenses	8.84	8.94	-1.11
<b>Profit after tax</b>	<b>23.00</b>	<b>21.15</b>	<b>8.74</b>
Earning per Equity Share	0.29	0.26	11.53

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

Human resource has always been one of the most valued stakeholders and a key differentiator for SRU Steels Limited. The underlying principle is that workers and staff at all levels are equally instrumental for attaining the Company's goals. The Company strongly believes in the policy of hiring the right talent for the right position at the right time, with a focus to improve employee productivity.

SRU believes that people are the backbone of the company. The Company has meritocratic culture and provides a conducive workplace for all. Occupational health and safety of employee is ensured at all times. The company focuses on the learning and professional development of its employees. Training programmes are regularly conducted to update their skills and apprise them of latest techniques. To enable the organisation to attain its full potential, it is imperative for us to create and maintain an ideal work culture thus creating an engaged and skilled workforce capable of delivering on the commitments to our stakeholders and in the process, making us 'Future Ready'- structurally, financially and culturally. Senior Management is easily accessible for counseling and redressal of grievances if any. The HR Department strives to maintain and promote harmony and co-ordination amongst Workers, Staff, and Members of the Senior Management.

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 EXPLANATION THEREOF**

<b>Particulars</b>	<b>Year 2021-22(in %)</b>	<b>Year 2020-21(in %)</b>
Debtor Turnover Ratio	3.93	4.88
Inventory Turnover Ratio	15.48	20.3
Debt Equity Ratio	0.29	0.28
Interest Coverage Ratio	3.36	1.64
Current Ratio	3.55	2.96
Operating Profit Margin	2.20	1.10
Net Profit Margin Ratio	1.63	0.81
Return on Net Worth	1.81	1.70

## INDEPENDENT AUDITOR'S REPORT

### To the Members of SRU STEELS LIMITED

#### Report on the Audit of the Standalone Financial Statement

##### Opinion

1. We have audited the accompanying standalone financial statements of "SRU Steels Limited" ("the company") which comprise the Balance Sheet as at March 31, 2022, 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").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs of the Company as at 31<sup>st</sup> March, 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

##### Basis for opinion

3. We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 ethical 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

4. 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

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises 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

6. 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 the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. 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.
7. In preparing the standalone financial statements, the Board of Directors 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 Board of Directors either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so.
8. The Boards of Directors are also responsible for overseeing the Company's financial process.

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

9. 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.
10. 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.
11. 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.
12. 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.
13. 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

14. As required by Section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its Directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
15. As required by the Companies (Auditor's Report) Order, 2020 ("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.
16. Further to our comments in Annexure A, as required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure- B**". Our report expresses 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 during the year ended 31 March, 2022.
    - iv.(a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in

any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the

Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) of clause (iv), contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.

**For Agrawal Mahesh Kumar & Co.**

Chartered Accountants  
(Registration No. 014618N)

**(FCA. M.K Agrawal)**

(Proprietor)

**UDIN:** 22094303AJWWPD4672

**M.NO.** 094303/FRN014618N /P.A.NO.AAEP0088N

**Place:** New Delhi

**Dated:** 30<sup>th</sup> May, 2022

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

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of SRU Steels Limited on the standalone financial statements as of and for the year ended March 31, 2022

- i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (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 (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder
- ii.(a) The Inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification.
- (b) The Company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to two companies during the year, details of the loan is stated in sub-clause (a) below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or any other parties during the year
- (a) A. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company is not having any subsidiaries, joint ventures and associates. Accordingly, clause 3(iii)(a) of the Order is not applicable.
- B. Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has granted loans to the parties other than subsidiaries, joint ventures and associates as below:

Particulars	Amount (₹ in crores)
Aggregate amount during the year - Others	13,32,90,132
Balance outstanding as at balance sheet date - Others	11,22,82,119

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment.
- iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 in relation to loans given.
- 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. According to the information and explanations given to us, the Central government has not prescribed the maintenance of Cost Record under section 148(1) of the Companies Act 2013 for the business activities carried out by the Company. Accordingly paragraph 3(vi) of the order is not applicable to the Company.
- vii. In respect of statutory Dues:
- (a) According to information and explanation given to us, there are no Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess, goods and services tax and other material statutory dues as applicable, which are outstanding as at 31<sup>st</sup> March, 2022 for a period of more than six months from the date they become payable.

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

S. No.	Name of the Statute	Nature of dues	(₹) 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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year
- ix.(a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x.(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of 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 debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- xi.(a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) The company has not received any whistle blower complaints. Accordingly, clause 3(xi)(c) of the Order is not applicable.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable
- xiii. In our opinion and according to the information and explanation given to us, 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 Indian Accounting Standards.
- xiv.(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither



give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanation given to us and

based on our examination of the records of the Company, Section 135 of the Companies Act, 2013 does not apply on Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Agrawal Mahesh Kumar & Co.**

Chartered Accountants  
(Registration No. 014618N)

**(FCA. M.K Agrawal)**

(Proprietor)

**UDIN:** 22094303AJWWPD4672

**M.NO.** 094303/FRN014618N /P.A.NO.AEPA0088N

**Place:** New Delhi

**Dated:** 30<sup>th</sup> May, 2022

## Annexure - B to the Independent Auditors Report-31<sup>st</sup> March, 2022

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

1. We have audited the internal financial controls over financial reporting of SRU Steels Limited ("the Company") as of 31 March 2022 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

2. 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.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. 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.
4. 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.

5. 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

6. 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

7. 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

8. 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<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Agrawal Mahesh Kumar & Co.**

Chartered Accountants  
(Registration No. 014618N)

**(FCA. M.K Agrawal)**

(Proprietor)

**UDIN:** 22094303AJWWPD4672

**M.NO.** 094303/FRN014618N /P.A.NO.AAEP0088N

**Place:** New Delhi

**Dated:** 30<sup>th</sup> May, 2022





## BALANCE SHEET AS AT 31ST MARCH 2022

(Amount in ₹)

Particulars	Notes	March 31, 2022	March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	47,72,196	57,06,638
Financial assets			
Loans	5	20,000	20,000
Other financial assets	6	1,52,56,668	94,69,819
Deferred tax assets	7	3,98,468	3,22,511
<b>Total of non Current Assets</b>		<b>2,04,47,332</b>	<b>1,55,18,968</b>
<b>Current assets</b>			
Inventory	8	1,03,38,748	78,76,852
Financial assets			
Loans	5	11,22,82,119	1,11,86,500
Trade receivables	9	2,73,03,686	4,42,77,466
Cash and cash equivalents	10	7,08,755	9,66,62,831
Other financial assets	11	9,99,000	9,99,000
Current tax assets	12	18,27,417	12,33,441
Other current assets	13	21,08,032	19,82,387
<b>Total of Current Assets</b>		<b>15,55,67,757</b>	<b>16,42,18,477</b>
<b>TOTAL ASSETS</b>		<b>17,60,15,089</b>	<b>17,97,37,445</b>
<b>Equity</b>			
Share capital	14	7,99,19,000	7,99,19,000
Other equity		4,68,28,031	4,45,17,487
<b>Total equity</b>		<b>12,67,47,031</b>	<b>12,44,36,487</b>
<b>LIABILITIES</b>			
<b>Non- Current liabilities</b>			
Financial liabilities			
Borrowings	15	54,98,519	40,44,440
<b>Total Non-Current liabilities</b>		<b>54,98,519</b>	<b>40,44,440</b>
<b>Current liabilities</b>			
Financial liabilities			
Trade payables	16	67,91,516	1,58,15,944
Other financial liabilities	17	3,20,91,189	3,14,02,277
Other current liability	18	40,02,756	31,44,115
Current tax liability (net)	19	8,84,078	8,94,182
<b>Total Current liabilities</b>		<b>4,37,69,539</b>	<b>5,12,56,518</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,60,15,089</b>	<b>17,97,37,445</b>
<b>Significant accounting policies</b>	1-3		
<b>Notes to accounts</b>	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

Apoorv Agarwal  
Managing Director  
DIN: 02763242

Place:- New Delhi  
Date:- 30th May 2022  
UDIN: 22094303AJWWPD4672

Arpit Agarwal  
Chief Executive Officer  
PAN :- ALXPA4182D

Hitesh Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Deepak  
Company Secretary  
Membership No.A64119

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in ₹)

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	20	14,09,94,203	26,25,15,206
Other Income	21	95,19,755	82,80,308
<b>Total Revenue</b>		<b>15,05,13,958</b>	<b>27,07,95,514</b>
<b>Expenses</b>			
Purchase	22	13,15,89,415	23,17,44,751
Change in inventory	23	(24,61,896)	1,01,13,924
Employee benefits expenses	24	48,92,000	29,56,307
Finance cost	25	14,52,354	45,91,663
Depreciation and amortisation	26	10,60,162	13,37,505
Other expenses	27	1,08,73,764	1,71,68,457
<b>Total expenses</b>		<b>14,74,05,799</b>	<b>26,79,12,607</b>
<b>Profit before tax</b>		<b>31,08,159</b>	<b>28,82,907</b>
Less: Tax expense			
Current tax		8,84,078	8,94,182
Earlier Period Tax Expenses		-	-
Deferred tax		(75,957)	(1,26,347)
<b>Profit for the year</b>		<b>23,00,038</b>	<b>21,15,072</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>23,00,038</b>	<b>21,15,072</b>
Earning per equity shares	30		
Basic		0.29	0.26
Diluted		0.29	0.26
<b>Significant accounting policies</b>	<b>1-3</b>		
<b>Notes to accounts</b>	<b>4-40</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

For & On Behalf Of Board Of Directors

CA M.K Agarwal (FCA)  
(Proprietor)  
Membership No.094303  
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Naresh Kumar Garg  
Chairman  
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Managing Director  
DIN: 02763242

Place:- New Delhi  
Date:- 30th May 2022  
UDIN: 22094303AJWWPD4672

Arpit Agarwal  
Chief Executive Officer  
PAN :- ALXPA4182D

Hitesh Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Deepak  
Company Secretary  
Membership No.A64119



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(Amount in ₹)

Particulars	For the Year Ended 31st March, 2022	For the Year Ended 31st March, 2021
<b>A. Cash Flow from Operating Activities</b>		
a) Net Profit before tax and extraordinary Items	31,08,159	28,82,907.00
Depreciation	10,60,162	13,37,505.00
Previous Year Tax Adjustment	10,506	(3,16,490)
Amount written off	(2,51,439)	-
Interest Income	(86,90,132)	(69,93,595)
Interest expenses	13,150	(7,997)
Loss on sale of Fixed Assets	-	59,305
b) Operating profit before working capital Changes Adjustment for:	(47,49,594)	(30,38,365)
(Increase)/Decrease in Trade Receivable	1,69,73,780	1,89,39,774
(Increase)/Decrease in Loan and Advance	(10,10,95,619)	6,54,82,207
(Increase)/Decrease in other financial assets	(58,00,000)	(50,00,000)
(Increase)/Decrease in Other Current Assets	(1,25,645)	95,89,237
(Increase)/Decrease in inventories	(24,61,896)	1,01,13,924
Increase/(Decrease) in Trade Payable	(90,24,428)	(1,04,72,374)
Increase/(Decrease) in Other Current Liabilities	8,58,641	(71,15,289)
Increase/(Decrease) in Other Financial liability	6,88,912	64,11,809
c) Cash generated from operations	(10,47,35,849)	8,49,10,923
Less-Income tax paid	14,88,158	6,92,556
Net cash from operating activities	(10,62,24,007)	8,42,18,367
<b>B Cash Flow from Investing Activities</b>		
Purchase of fixed assets (Net)	1,25,720	(1,07,160)
Sale of fixed assets(Net)	-	1,28,000
Interest Income	86,90,132	69,93,595
Net cash from Investing Activities	88,15,852	70,14,435
<b>C Cash Flow from Financial Activities</b>		
Borrowings	14,54,079	-
	14,54,079	
<b>D Net Increase/(decrease) in Cash and Cash equivalent</b>	<b>(9,59,54,076)</b>	<b>9,12,32,802</b>
Cash & Cash equivalent at beginning of the year	<b>9,66,62,831</b>	<b>54,30,029</b>
Cash & Cash equivalent at end of the year (Cash and cash equivalent represents cash and bank balance)	<b>7,08,755</b>	<b>9,66,62,831</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

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

Apoorv Agarwal  
Managing Director  
DIN: 02763242

Place:- New Delhi  
Date:- 30th May 2022  
UDIN: 22094303AJWPPD4672

Arpit Agarwal  
Chief Executive Officer  
PAN :- ALXPA4182D

Hitesh Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Deepak  
Company Secretary  
Membership No.A64119

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

## A. Equity Share Capital

Particulars	Number of shares	₹
Balance as at April 1, 2020	79,91,900	7,99,19,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	79,91,900	7,99,19,000
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	79,91,900	7,99,19,000

## B. Other Equity

Particulars	Reserve and surplus			
	Capital reserve	Security premium	General reserve	Total
	₹	₹	₹	₹
Balance as at April 1, 2020	61,55,500	1,24,05,000	2,41,58,405	4,27,18,905
Adjustment for provision for tax last year	-	-	(3,16,490)	(3,16,490)
Amount Writtern off	-	-	-	-
Profit for the year	-	-	21,15,072	21,15,072
Balance as at March 31, 2021	61,55,500	1,24,05,000	2,59,56,987	4,45,17,487
Adjustment for provision for tax last year	-	-	10,506	10,506
Amount Writtern off	-	-	-	-
Profit for the year	-	-	23,00,038	23,00,038
Balance as at March 31, 2022	61,55,500	1,24,05,000	2,82,67,531	4,68,28,031

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  
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Managing Director  
DIN: 02763242

Place:- New Delhi  
Date:- 30th May 2022  
UDIN: 22094303AJWWPD4672

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Hitesh Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Deepak  
Company Secretary  
Membership No.A64119



## 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, 2022 were approved by the Board of Directors and authorised for issue on May 30th, 2022.

### 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 Rs.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

- 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.
- Interest income is recognized using effective interest method.
- 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

Particulars	Buildings	Furniture & fixtures	Vehicles	Computers	Office equipments	Total
	₹	₹	₹	₹	₹	₹
<b>Cost</b>						
<b>As at April 1, 2020</b>	3686270	<b>38,40,750</b>	<b>16,69,715</b>	<b>2,34,209</b>	<b>3,00,724</b>	<b>97,31,668</b>
-Additions		-	-	1,07,160	-	<b>1,07,160</b>
-Disposals			13,75,861			<b>13,75,861</b>
<b>As at March 31, 2021</b>	<b>36,86,270</b>	<b>38,40,750</b>	<b>2,93,854</b>	<b>3,41,369</b>	<b>3,00,724</b>	<b>84,62,967</b>
-Additions	-	-	-	59,106	66,614	<b>1,25,720</b>
-Disposals	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>36,86,270</b>	<b>38,40,750</b>	<b>2,93,854</b>	<b>4,00,475</b>	<b>3,67,338</b>	<b>85,88,687</b>
<b>Depreciation</b>						
<b>As at April 1, 2020</b>	4,59,943	4,41,454	12,96,237	2,22,499	1,87,246	<b>26,07,379</b>
Depreciation charge during the year	3,04,683	8,77,070	75,750	31,568	48,435	<b>13,37,506</b>
Written back	-	-	11,88,556	-	-	<b>11,88,556</b>
<b>As at March 31, 2021</b>	<b>7,64,626</b>	<b>13,18,524</b>	<b>1,83,431</b>	<b>2,54,067</b>	<b>2,35,681</b>	<b>27,56,329</b>
Depreciation charge during the year	2,75,824	6,49,992	28,162	63,584	42,600	<b>10,60,162</b>
Written back	-	-	-	-	-	-
<b>As at March 31, 2022</b>	<b>10,40,450</b>	<b>19,68,516</b>	<b>2,11,593</b>	<b>3,17,651</b>	<b>2,78,281</b>	<b>38,16,491</b>
<b>Net Book Value</b>						
<b>As at March 31, 2022</b>	26,45,820	18,72,234	82,261	82,824	89,057	<b>47,72,196</b>
<b>As at March 31, 2021</b>	29,21,644	25,22,226	1,10,423	87,302	65,043	<b>57,06,638</b>
<b>As at April 1, 2020</b>	32,26,327	33,99,296	3,73,478	11,710	1,13,478	<b>71,24,289</b>

#### 5 Loans

Particulars		March 31, 2022	March 31, 2021
		₹	₹
<b>Non-current</b>			
Unsecured, considered good			
Loans			
Others		20,000	20,000
	(a)	<b>20,000</b>	<b>20,000</b>
<b>Current</b>			
Unsecured, considered good			
Loans			
Others		11,22,82,119	1,11,86,500
	(b)	<b>11,22,82,119</b>	<b>1,11,86,500</b>
<b>Total</b>	(a+b)	<b>11,23,02,119</b>	<b>1,12,06,500</b>

#### 6 Other financial asset

Particulars	March 31, 2022	March 31, 2021
	₹	₹
Non-current		
Unsecured, considered good		
Security deposit* (old 1)	45,00,000	43,07,578
Deferred security	-	1,70,600
	45,00,000	44,78,178
Security deposit* (Old 2)	40,18,584	37,91,117
Deferred security	9,47,782	12,00,524
	49,66,365	49,91,641
Security deposit* (New)	43,97,695	-
Deferred security	13,92,607	-
	57,90,303	-
<b>Total</b>	<b>1,52,56,668</b>	<b>94,69,819</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, 2022 ₹	March 31, 2021 ₹
<b>Deferred tax assets on</b>		
Property, plant and equipments & intangible assets	3,66,601	2,90,644
Accrued expenses deductible on payment	31,867	31,867
<b>Deferred tax assets(net)</b>	<b>3,98,468</b>	<b>3,22,511</b>

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

Particulars	For the year ended March 31, 2022			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in OCI	Closing Balance
<b>Deferred tax assets on</b>				
Property, plant and equipments & intangible assets	2,90,644	(75,957)	-	3,66,601
Accrued expenses deductible on payment	31,867	-	-	31,867
<b>Deferred tax assets(net)</b>	<b>3,22,511</b>	<b>(75,957)</b>	<b>-</b>	<b>3,98,468</b>

Particulars	For the year ended March 31, 2021			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in OCI	Closing Balance
<b>Deferred tax assets on</b>				
Property, plant and equipments & intangible assets	1,64,297	(1,26,347)	-	2,90,644
Accrued expenses deductible on payment	31,867	-	-	31,867
<b>Deferred tax assets(net)</b>	<b>1,96,164</b>	<b>(1,26,347)</b>	<b>-</b>	<b>3,22,511</b>

**8 Inventories**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Raw materials		
Traded goods and Stock In Transit	1,03,38,748	78,76,852
<b>Total</b>	<b>1,03,38,748</b>	<b>78,76,852</b>

**9 Trade receivables**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Unsecured, considered good	2,73,03,686	4,42,77,466
<b>Total</b>	<b>2,73,03,686</b>	<b>4,42,77,466</b>
<b>Age of receivables</b>		
Within 6 Month	2,66,92,270	3,58,31,203
More than 6 months	6,11,416	84,46,263
<b>Total</b>	<b>2,73,03,686</b>	<b>4,42,77,466</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

**10 Cash and cash equivalents**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Cash in hand	7,08,755	8,84,337
Balance with Banks		
On current accounts	-	-
Chq. Received but not Deposited	-	9,57,78,494
<b>Total</b>	<b>7,08,755</b>	<b>9,66,62,831</b>

**11 Other financial assets**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Unsecured, considered good		
Interest receivable	9,99,000	9,99,000
Commission receivable	-	-
<b>Total</b>	<b>9,99,000</b>	<b>9,99,000</b>

**12 Current tax asset**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
TDS (Including Income Tax Refund due)	18,27,417	12,33,441
<b>Total</b>	<b>18,27,417</b>	<b>12,33,441</b>

**13 Other Current Assets**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Unsecured, considered good		
Advances to suppliers	-	19,39,596
Input receivable from Government authorities	20,67,170	702
Prepaid expenses	36,362	37,589
Others	4,500	4,500
<b>Total</b>	<b>21,08,032</b>	<b>19,82,387</b>

## 14 Share capital

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
<b>Authorised</b>		
95,00,000 (95,00,000) equity shares of Rs. 10 (Rs. 10) each	9,50,00,000	9,50,00,000
<b>Issued, subscribed and paid up capital</b>		
79,91,900 (79,91,900) equity shares of Rs. 10 (Rs. 10) each		
fully paid up	7,99,19,000	7,99,19,000

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	As at March 31, 2022		As at March 31, 2021	
	Nos.	Amount	Nos.	Amount
Number of shares at the beginning	79,91,900	7,99,19,000	79,91,900	7,99,19,000
Issued during the year	-	-	-	-
Number of shares at the end	79,91,900	7,99,19,000	79,91,900	7,99,19,000

## c) Particulars of shareholders holding more than 5% of equity shares as on March 31, 2021 and March 31, 2021 is as follows:

Name of shareholder	As at March 31, 2022		As at March 31, 2021	
	% Holding	Shares	% Holding	Shares
M.M. Fiscal Services Pvt Ltd	19.36	15,47,000	19.36	15,47,000
Apoorv Agarwal	11.51	9,20,000	11.51	9,20,000
Satish Agarwal	10.90	8,71,500	10.90	8,71,500
Satish Agarwal HUF	10.29	8,22,500	10.29	8,22,500
R.L Agarwal & Sons Securities Pvt Ltd.	12.22	9,76,500	12.22	9,76,500

## 15 Borrowings

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
<b>Non -Current Liabilities</b>		
GECL - SBI Credit	54,98,519	40,44,440
<b>Total</b>	<b>54,98,519</b>	<b>40,44,440</b>

## 16 Trade Payables

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Dues of micro, small and medium enterprises	-	-
Dues to other than micro, small and medium enterprises	67,91,516	1,58,15,944
<b>Total</b>	<b>67,91,516</b>	<b>1,58,15,944</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, 2022 ₹	March 31, 2021 ₹
Expenses payable	-	-
GECL - SBI Credit	19,24,051	15,55,560
Chq. Issued but not Presented	87,150	-
Bank overdraft	3,00,79,988	2,98,46,717
<b>Total</b>	<b>3,20,91,189</b>	<b>3,14,02,277</b>

## 18 Other current liabilities

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Statutory dues	3,81,664	2,64,764
Other current liabilities	36,21,093	25,80,018
Advances from customers	-	2,99,333
<b>Total</b>	<b>40,02,756</b>	<b>31,44,115</b>

## 19 Current tax liability

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Income tax	8,84,078	8,94,182
<b>Total</b>	<b>8,84,078</b>	<b>8,94,182</b>

**20 Revenue from operations**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Sale of products		
Stainless Steel	13,15,33,172	25,67,84,604
Other operating revenue		
Commission on direct sales	94,61,032	57,30,602
<b>Total</b>	<b>14,09,94,203</b>	<b>26,25,15,206</b>

**21 Other Income**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Interest receipts on		
Loan and Advances	86,90,132	69,93,595
L/c Charges Recover	4,08,868	-
Amounts written back	4,20,756	32,220
Other Income	-	12,54,493
<b>Total</b>	<b>95,19,755</b>	<b>82,80,308</b>

**22 Purchase of material**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Purchase of raw material	13,15,89,415	23,17,44,751
<b>Total</b>	<b>13,15,89,415</b>	<b>23,17,44,751</b>

**23 Change in inventory**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Opening stock of raw materials traded	78,76,852	1,79,90,776
Closing stock of raw materials traded	1,03,38,748	78,76,852
<b>Total</b>	<b>(24,61,896)</b>	<b>1,01,13,924</b>

**24 Employees benefit expenses**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Salary and wages	38,21,000	19,44,307
Bonus	1,71,000	1,12,000
Staff welfare	-	-
Director Remuneration	9,00,000	9,00,000
<b>Total</b>	<b>48,92,000</b>	<b>29,56,307</b>

**25 Financial cost**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Bank charges	4,016	4,673
Bank Interest	13,15,371	44,93,647
Other Processing Fees	1,19,817	1,01,340
Unwinding of discount on security deposit	13,150	(7,997)
<b>Total</b>	<b>14,52,354</b>	<b>45,91,663</b>

**26 Depreciation and amortisation**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Depreciation and amortisation expenses	10,60,162	13,37,505

**27 Other expenses**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Freight Paid	9,61,790	28,51,434
Rent	18,00,000	18,00,000
Travelling		
Domestic	93,650	23,868
Foreign		
Conveyance	20,000	33,769
General expenses	11,566	58,898
Legal and professional	5,23,503	7,84,670
Office expenses	1,32,900	1,97,787
Listing fees	3,00,000	3,00,000
Vehicle running	1,30,448	3,74,650
Electricity charges	1,27,916	1,47,674
Printing & Stationery	-	52,830
Postage & Stamps	3,518	27,992
Telephone	70,978	66,336
Auditor's Remuneration		
- As audit fees	1,00,000	1,00,000
- Taxation and certification	-	-
Municipal taxes	90,821	90,821
Insurance charges	45,412	83,875
Misc exp Amortised	-	-
Repair & maintenance	2,27,994	12,32,004
Commission Expense	47,49,430	63,07,338
Job Work Charges	3,70,460	7,98,151
Loss on sale of vehicle	-	59,305
Others Expenses	9,89,778	7,77,055
Business Promotion Exp.	1,23,600	10,00,000
<b>Total</b>	<b>1,08,73,764</b>	<b>1,71,68,457</b>

**28 Contingent Liabilities**

(to the extent not provided for)

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
a) Claims against the Company not acknowledged as debts	-	-
b) Income tax demands disputed in appellate proceedings	4,22,000	4,22,000

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**

	March 31, 2022 ₹	March 31, 2021 ₹
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:

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
i) Net profit available for equity shareholders	23,00,038	21,15,072
ii) Weighted average number of equity shares outstanding for calculation of		
- Basic EPS	79,91,900	79,91,900
- Diluted EPS	79,91,900	79,91,900
iii) Nominal value of per equity share (Rs.)	10	10
iv) Earning per share (i)/(ii)		
- Basic EPS (Rs.)	0.29	0.26
- Diluted EPS (Rs.)	0.29	0.26

**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, 2022 ₹	March 31, 2021 ₹
For Director Remuneration	Salary	9,00,000	9,00,000
		9,00,000	9,00,000

**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, 2022 ₹	March 31, 2021 ₹
Revenue from the Country of domicile; India	15,05,13,958	27,07,95,514
Revenue from foreign countries	-	-
<b>Total</b>		

**b) Details of non current asset**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Non-current asset from the Country of Domicile; India	2,04,47,332	1,55,18,968
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
Apoorv Agrwal	Managing Director
Arpit Agarwal	Chief Executive Officer
Hitesh Laxmikant Somani	Chief Financial Officer
*Shallu Garg	Company Secretary
**Deepak	Company Secretary

**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:- \* Shallu Garg (Company Secretary) has resigned from the Company w.e.f 20th Jan 2022

\*\* Deepak (Company Secretary) has been appointed on 14th Feb 2022

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

Nature of transaction	Related Party	March 31, 2022 ₹	March 31, 2021 ₹
Director Remuneration	Director	9,00,000	9,00,000
Salary	Arpit Agarwal (C.E.O)	6,00,000	30,000
Salary	Shallu Garg (C.S.)	2,86,500	3,07,500
Bonus	Shallu Garg (C.S.)	20,000	12,500
Salary	Deepak (C.S.)	60,000	-
Salary	Hitesh Laxmikant Somani (C.F.O.)	2,76,000	2,76,000



## c) Amount outstanding as at the end of the year

Account head	Related Party	March 31, 2022 ₹	March 31, 2021 ₹
Director Remuneration	Director	7,05,000	-
Other financial liability	Shallu Garg (C.S.)	-	27,500
Other financial liability	Deepak (C.S.)	30,000	-
Other financial liability	Hitesh Laxmikant Somani (C.F.O.)	-	-

## 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, 2022 ₹	March 31, 2021 ₹
Trade payables (Note 15)	67,91,516	1,58,15,944
Other payables (current and non-current)	4,24,76,542	3,94,85,014
Less: Cash and cash equivalents (Note 11)	(7,08,755)	(9,66,62,831)
<b>Net debt</b>	<b>4,85,59,303</b>	<b>(4,13,61,873)</b>
Equity share capital	7,99,19,000	7,99,19,000
Other equity	4,68,28,031	4,45,17,487
<b>Total capital</b>	<b>12,67,47,031</b>	<b>12,44,36,487</b>
<b>Capital and net debts</b>	<b>17,53,06,334</b>	<b>8,30,74,614</b>
Gearing ratio (Net debt/Capital and Net debt)	27.70%	-49.79%

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 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, 2022 ₹	March 31, 2021 ₹
<b>Financial assets</b>		
Financial assets at amortised cost		
<b>Non-current</b>		
Loans	20,000	20,000
Other financial assets	1,52,56,668	94,69,819
	<b>1,52,76,668</b>	<b>94,89,819</b>
<b>Current</b>		
Loans	11,22,82,119	1,11,86,500
Trade receivables	2,73,03,686	4,42,77,466
Cash and cash equivalents	7,08,755	9,66,62,831
Other financial assets	9,99,000	9,99,000
	<b>14,12,93,560</b>	<b>15,31,25,797</b>
<b>Financial liability</b>		
Financial liability at amortised cost		
<b>Non-current</b>		
Borrowings	54,98,519	40,44,440
	<b>54,98,519</b>	<b>40,44,440</b>
<b>Current</b>		
Trade payables	67,91,516	1,58,15,944
Other financial liabilities	3,20,91,189	3,14,02,277
	<b>3,88,82,705</b>	<b>4,72,18,221</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.

### 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 directly from its operations.

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:

#### 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/ real estate risk. Financial instruments affected by market risk include loans and borrowings.

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

#### 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.

#### 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 May 2022  
UDIN: 22094303AJWWPD4672

Arpit Agarwal  
Chief Executive Officer  
PAN :- ALXPA4182D

Hitesh Laxmikant Somani  
Chief Financial Officer  
PAN: AOWPS2590B

Deepak  
Company Secretary  
Membership No.A64119

For & On Behalf Of Board Of Directors

Naresh Kumar Garg  
Chairman  
DIN: 00986846

Apoorv Agarwal  
Managing Director  
DIN: 02763242

**SRU STEELS LIMITED**

CIN No-L17300DL1995PLC107286

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

website:- www.srusteels.in | E-mail:-srusteels@yahoo.in | Tel No-011-27373622,

**Form No. SH-13****Nomination Form****[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]**

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

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

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

Nature Of Securities	Folio No.	No. of Securities	Certificate No.	Distinctive No.

<b>(2) PARTICULARS OF NOMINEE/S –</b>	
(a) Name:	
(b) Date of Birth:	
(c) Father's/Mother's/Spouse's name:	
(d) Occupation:	
(e) Nationality:	
(f) Address:	
(g) E-mail id:	
(h) Relationship with the security holder:	

<b>(3) IN CASE NOMINEE IS A MINOR-</b>	
(a) Date of birth:	
(b) Date of attaining majority	
(c) Name of guardian:	
(d) Address of guardian:	

<b>(4) PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY</b>	
(a) Name:	
(b) Date of Birth:	
(c) Father's/Mother's/Spouse's name:	
(d) Occupation:	
(e) Nationality:	
(f) Address:	
(g) E-mail id:	
(h) Relationship with the security holder:	
(i) Relationship with the minor nominee:	

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Name of the Security Holder(s)Signature

Witness with name and address



[www.srusteels.in](http://www.srusteels.in)



**SRU STEELS LIMITED**



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



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