

To,
Bombay Stock Exchange Ltd.
(Scrip Code-500365)
Listing Department,
P. J. Towers, Dalal Street,
Mumbai - 400 001

May 23, 2018

Dear Sirs/ Madam,

Sub.: Audited Financial Results for the year ended March 31, 2018 and outcome of Board Meeting held on May 23, 2018

Pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose the following:

- (i) Statement showing the Audited Financial Results (Standalone) for the year ended March 31, 2018;
- (ii) Auditors' Report on the Audited Financial Results; and
- (iii) Declaration on Auditors' Report with Unmodified Opinion.

The above results, duly reviewed and recommended by the Audit Committee, have been approved by the Board of Directors of the Company at its meeting held on May 23, 2018.

The Board has decided to incur capital expenditure of Rs.150 Crore for following to exploit business opportunities that have emerged in the extant industry scenario:

1. Installation of Argon Oxygen Decarburization (AOD) and induction furnace in the existing steel melting shop to produce stainless steel cast products and rolled bars (by way of part substitution of carbon alloy steel production) to supply for manufacturing of engineering products.
2. Modernizing existing Steel Melting Shop (SMS) to enhance its efficiency to produce quality special and alloy steel
3. Small diameter rolling mill to produce smaller size rolled bars (in addition to existing large diameter rolled bars)
4. Machinery for hot / cold finish pipes of stainless steel

The capex is meant for providing wider product range to cater to the lucrative demand profile. The commissioning of the aforesaid facilities is expected to be completed by March, 2019.

Kindly take note of the above.

Yours Faithfully,
For RMG Alloy Steel Limited


Nilesh Javker
Company Secretary
ACS- 24087



RMG ALLOY STEEL LTD

Regd. Office : Plot No. 1, GIDC Industrial Estate, Jhagadia, Dist. Bharuch, Gujarat-393110
 Website : www.mgalloysteel.com, Email ID : allcompanysecretaryofrmg@welspun.com
 CIN : L27100GJ1980PLC020358

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018

(Rs. In Lacs)

Sr. No	Particulars	Quarter ended			For The Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		Un-Audited			Audited	
1	Income					
a)	Revenue from Operations	10,136	8,230	5,727	24,009	26,204
b)	Other Income	214	23	119	468	617
	Total Revenue	10,350	8,253	5,846	24,477	26,821
2	Expenses					
a)	Cost of materials consumed	6,461	5,179	3,078	14,624	13,453
b)	Changes in inventories of finished goods, work in progress and stock in trade	(321)	(228)	(172)	(1,109)	(62)
c)	Excise Duty on sale of goods	-	-	-	483	2,920
d)	Employees benefits expenses	365	387	395	1,428	1,600
e)	Depreciation and Amortisation expenses	173	159	161	661	663
f)	Power & fuel	2,195	1,822	1,483	5,897	6,423
g)	Finance Costs	1,276	1,099	1,183	4,683	4,507
h)	Other expenses	1,583	1,226	1,407	3,761	3,409
	Total Expense	11,732	9,644	7,535	30,428	32,913
3	Profit/(Loss) before exceptional items and Tax (1-2)	(1,382)	(1,391)	(1,689)	(5,951)	(6,092)
4	Exceptional Items (Refer note - 6 (a) & 6 (b))	500	-	-	500	250
5	Profit/(Loss) before tax (3-4)	(882)	(1,391)	(1,689)	(5,451)	(5,842)
6	Tax expenses	-	-	-	-	-
7	Net Profit/(Loss) for the period (5-6)	(882)	(1,391)	(1,689)	(5,451)	(5,842)
8	Other Comprehensive Income					
	Items that will not be reclassified to profit or loss	38	(9)	(8)	13	(34)
10	Total Other Comprehensive Income Net of Income tax	38	(9)	(8)	13	(34)
11	Total Comprehensive Income for the period	(844)	(1,400)	(1,697)	(5,438)	(5,876)
12	Paid-up equity share capital (Rs.6/- per equity share)	6,506	6,506	6,506	6,506	6,506
13	Earnings per share (Face Value of Rupees 6/ Each)					
	- Basic	(1.06)	(1.53)	(1.72)	(5.84)	(6.04)
	- Diluted	(1.06)	(1.53)	(1.72)	(5.84)	(6.04)

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

Sr No	Particulars	As at 31st March	As at 31st
		2018	March
		(Audited)	(Audited)
	ASSETS		
	I Non-current assets		
(a)	Property, Plant and Equipment	10,542	11,037
(b)	Capital Work in Progress	714	-
(c)	Intangible assets	0	0
(d)	Income tax assets (net)	192	176
(e)	Other non-current assets	247	-
	Total non-current Assets	11,695	11,213
	II Current assets		
(a)	Inventories	6,504	4,337
(b)	Financial assets		
(i)	Investments	6,711	-
(ii)	Trade receivables	8,002	4,165
(iii)	Cash and cash equivalents	24,258	171
(iv)	Bank Balance Other than Cash and Cash Equivalent	184	201
(c)	Other current assets	699	955
	Total Current Assets	46,358	9,829
	Total Assets	58,053	21,042
	EQUITY AND LIABILITY		
	III Equity		
(a)	Equity share capital	6,506	6,506
(b)	Other equity	(39,088)	(50,985)
	Total Equity	(32,582)	(44,479)
	IV Non-current liabilities		
(a)	Financial liabilities		
(i)	Borrowings	48,535	49,583
(b)	Long term Provisions	159	152
	Total non-current liabilities	48,694	49,735
	V Current liabilities		
(a)	Financial liabilities		
(i)	Short term borrowings	27,779	9,069
(ii)	Trade payables	7,470	3,418
(iii)	Other financial liabilities	6,330	2,749
(b)	Other current liabilities	324	506
(c)	Short term Provisions	38	44
	Total current liabilities	41,941	15,786



Notes :

- 1 The above results have been reviewed by the Audit Committee and thereafter were approved and taken on record by the Board of Directors at its meeting held on 23rd May, 2018.
- 2 The Company is engaged in the business of steel & steel products such as Seamless Tubes & Rolled Products which in the opinion of the Management is considered the only business segment in the context of IND AS 108 on "Operating Segment", as specified under section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015.
- 3 On 1st April, 2017 the Company has adopted Indian Accounting Standard ("Ind AS") with effect from 1st April 2016. Accordingly, the financial results for the Quarter and year ended 31st March, 2018 have been prepared in accordance with Ind AS, the recognition and measurement principles laid down under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India. The results for the comparative Quarter and Year ended 31st March, 2017 have been restated as per Ind AS.
- 4 Deferred tax asset is more than deferred tax liability as computed in accordance with the IND AS 12, specified under section 133 of Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015. The Company, as a matter of prudence has not recognised deferred tax asset.
- 5 The Company continues to incur losses and its net worth is fully eroded resulting in liabilities exceeding its total assets as at March 31, 2018. However, the Company is in the process of raising funds upto Rs. 36,921 lacs through preferential allotment of equity share / Warrant as per resolution passed in the extra ordinary general meeting held on 15th May 2018, subject to approval of any statutory and other appropriate authorities. The inflow of funds will be used for repayment of borrowings, working capital and capex for offering new / improved product range in order to improve the profitability & liquidity position of the Company going forward. Also the Company is in the process of settling dues with lenders. Accordingly, the financial statements have been prepared on a going concern basis and no adjustments are required to the carrying amount of assets and liabilities.
- 6 a) During the Quarter and the Year ended 31st March 2018 the Company had received a waiver of Rs 500 Lacs from a lender bank.
b) In FY 2016-17, the Company entitled to the benefits as per eligibility certificate received from industries commissioner. Accordingly, during the quarter ended 30th June 2016, the Company had accounted for the refund on the purchase tax (including interest) an amount of Rs.250 lacs.
- 7 The reconciliation of the other equity as on 31st March 2017 and net profit or loss for the period ended 31st March 2017 reported in accordance with India GAAP to total comprehensive income in accordance with IND AS is given below:

(i) Reconciliation of Total comprehensive income

(Rs. In Lacs)

Description	For the quarter ended 31st March 2017	For the year ended 31st March 2017
Profit / (Loss) as per previous GAAP (a)	(1,687)	(5,852)
Ind AS: Adjustments increase (decrease):		
(i) Effect of accounting of transaction costs on borrowings as per Effective Interest Rate (EIR) method	(4)	(15)
(ii) Fair valuation of measurement of forward contract	(5)	(5)
(iii) Depreciation / amortisation on Property Plant Equipment	(1)	(4)
(iv) Remeasurement gain/loss of defined benefit obligation	8	34
Total adjustment to profit or loss (b)	(2)	10
Profit or Loss under Ind AS (a+b)	(1,689)	(5,842)
Other comprehensive income for the year (Remeasurement of defined benefit obligation)	(8)	(34)
Total comprehensive income for the period under Ind AS	(1,697)	(5,876)

(ii) Reconciliation of Total Equity :

(Rs. In Lacs)

Description	For the year ended 31st March 2017
Equity as reported under previous GAAP	(51,004)
Ind AS: Adjustments increase (decrease):	
(i) Effect of accounting of transaction costs on borrowings as per Effective Interest Rate (EIR) method	100
(ii) Fair valuation of measurement of forward contract	(5)
(iii) Depreciation / amortisation on Property Plant Equipment	(76)
Equity as reported under IND AS	(50,985)

- 8 The figures for the previous period have been regrouped / rearranged, wherever necessary, to make them comparable.

Date: 23rd May 2018
Place: Mumbai

For and on behalf of Board



Director



Auditor's Report on Financial Results of RMG ALLOY STEEL LIMITED Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To,
The Board of Directors of RMG Alloy Steel Limited,

We have audited the accompanying Financial Results of RMG Alloy Steel Limited ("the Company") for the year ended 31st March 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. The Statement, which are the responsibility of the company's management and approved by the Board of Directors, have been prepared on the basis of the related financial statements which is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards requires that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the Statement are free from material misstatement.

An Audit includes examining, on a test basis, evidence supporting amounts disclosed in the Statement. An Audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the management, as well as evaluating the overall presentation of the Statement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016; and
- (ii) give a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net loss (including Other Comprehensive Income) and other financial information for the year ended 31st March 2018.

Emphasis of Matters

We draw attention to Note 5 of the accompanying statement; the Company's net worth is eroded and the Company has continued incurring losses for the quarter and Year ended 31st March, 2018. Considering the matters set out in the said note, this statement is prepared on a going concern basis. Our report is not modified in respect of this matter.



The Statement includes the results for the Quarter ended 31st March 2018 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subjected to limited review by us.

Place: Mumbai
Date : 23rd May, 2018



For Pathak H D & Associates
Chartered Accountants
(Firm's Registration No:
107783W)

A handwritten signature in black ink, appearing to read "Vishal D. Shah".

Vishal D. Shah
Partner
Membership No. 119303

RMG ALLOY STEEL LIMITED

RMG

May 23, 2018

To,
Bombay Stock Exchange Ltd.
(Scrip Code-500365)
Listing Department,
P. J. Towers, Dalal Street,
Mumbai - 400 001

Dear Sirs/ Madam,

Subject: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I, Narendra Kumar Bhandari, Chief Financial Officer of RMG Alloy Steel Limited (CIN: L27100GJ1980PLC020358) having its Registered Office at Plot No.1, GIDC Industrial Estate, Valia Road, Bharuch, Jhagadia, Gujarat - 392001, India, hereby declare that, in terms of the provision of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, the Statutory Auditors of the Company, Pathak H.D. & Associates, Chartered Accountants (Firm Registration Number 107783W,) have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company (Standalone only) for the quarter and year ended on March 31, 2018.

Kindly take this declaration on your records.

Thank you,

For RMG Alloy Steel Limited



Narendra Kumar Bhandari
Chief Financial Officer



Certificate No. 20004218 TS09 ISO/TS 16949:2009
Certificate No. 20004218 QM09 ISO 9001:2008
CIN : L27100GJ1980PLC020358

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