

RMG ALLOY STEEL LIMITED

**36TH ANNUAL REPORT
2017 - 2018**

RMG ALLOY STEEL LIMITED

L27100GJ1980PLC020358

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Balkrishan Goenka - Chairman Mr. Anuj Burakia - Whole Time Director Mr. Atul Desai - Independent Director Ms. Amita Karia - Independent Director
KEY MANAGERIAL PERSONNEL	Mr. Anuj Burakia - Whole Time Director Mr. Narendra Kumar Bhandari - Chief Financial Officer Ms. Rashmi Mamtura - Company Secretary
AUDITORS	M/S. Pathak H.D. & Associates., Nariman Point, Mumbai – 400 021
BANKERS	Corporation Bank
FACTORY AND REGISTERED OFFICE	Plot No. 1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat-393110
LISTING OF SHARES	BSE LTD, MUMBAI Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai- 400 001
CORPORATE OFFICE	B/9, Trade World, Kamala City, S.B.Marg, Lower Parel Mumbai – 400013, Tel: 022-66136000/24908000, Fax: 022-24908020 E-mail: allcompanysecretaryofrmgl@welspun.com Website:www.rmgalloysteel.com
R&T AGENT	Bigshare Services Pvt. Ltd. (Unit: RMG Alloy Steel Limited) Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East) Mumbai – 400059 Email: investor@bigshareonline.com Tel: 91-22-6263 8200 Fax: 91-22-6263 8261

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DIRECTORS' REPORT

To,
The Members,
RMG Alloy Steel Limited,

Your directors are pleased to present the Thirty Sixth Annual Report together with Audited Financial Statement of the Company for the year ended 31st March 2018.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2017-18	2016-17
Sales and other income	24,478	26,821
Profit/(Loss) before interest, depreciation and exceptional items	(606)	(922)
Interest and Financial charges	4,683	4,507
Depreciation and Amortization	661	662
Profit/ (Loss) before exceptional items and tax	(5,950)	(6,091)
Exceptional items	500	250
Profit/(Loss) before tax	(5,450)	(5,842)

OPERATIONS

Operations of the Company were as under:

Particulars	2017-18			2016-17		
	Production (Tones)	Sales (Qty M.T.)	Gross Sales (Rs.in Lacs)	Production (Tones)	Sales (Qty M.T.)	Gross Sales (Rs.in Lac)
Steel	40,845	41,106	24,164	46,371	46,654	26,283

The year witnessed unfavorable balance towards cost of Electric Arc Furnace raw material includes steel scrap, electrode graphite and refractories compared to Blast Furnace/Mini Blast Furnace route. In order to overcome such challenges, the Company moved towards niche segment i.e. ingot and large size, which helped in improving the realisation but with the overall sector demand being limited, plant utilization was lower. Further the Company decided to go for strategic / major maintenance work for 2-3 months during monsoon so as to gear up for anticipated growth of business promised by an overall positive sector outlook.

DIVIDEND AND RESERVES

In view of the net loss, your directors could not recommend any dividend for the financial year ended on March 31, 2018 nor could propose to transfer any amount to reserves.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) & 134(5) of the Companies Act, 2013 (the "Act"), your directors hereby confirm that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March 2018 and of the profit and loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

a. Board of Directors:

During the year Mr. Aneel Lasod and Ms. Amita Karia were appointed by members in their Annual General Meeting held on September 26, 2017.

Mr. Balkrishan Goenka was appointed as an additional director on August 6, 2018 and Mr. Ashok Jain, Mr. Hanuman Kanodia, Mr. Aneel Lasod resigned with effect from the same date.

Mr. Anuj Burakia, Whole Time Director of the Company retiring by rotation at the 36th Annual General Meeting and being eligible, has offered himself for reappointment. Board has recommended his reappointment.

Five (5) meetings of Board of Directors were held during the financial year 2017-18, the details of which are given in the Corporate Governance Report.

b. Key Managerial Personnel:

Mr. Nilesh Javker, Company Secretary of the Company resigned, and Ms. Rashmi Mamtura was appointed to fill the vacancy for the position of the Company Secretary of the Company, with effect from August 6, 2018.

c. Declaration by Independent Directors:

Mr. Atul Desai, Mr. Ashok Jain and Ms. Amita Karia, independent directors have given declaration that they meet the criteria of independent directors as provided in Section 149(6) of the Companies Act, 2013. However, Mr. Ashok Jain subsequently resigned from the directorship w.e.f. August 6, 2018.

d. Annual Board Evaluation:

In compliance with the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors, as per the process recommended by the Nomination and Remuneration Committee, has evaluated the effectiveness of the Board, its Committees and Directors and the results were satisfactory.

e. Disclosure as per Section 197(12) and Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- (i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year: **the ratio can not be derived as no remuneration was paid to any directors during the year under consideration.**
- (ii) the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **there was no increase in remuneration of Directors, CEO, CFO or CS.**
- (iii) the percentage increase in the median remuneration of employees in the financial year: **11.90%.**
- (iv) the number of permanent employees on the rolls of company: **602.**
- (v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: **the average percentile increase in remuneration of employees excluding KMP in last financial year was 3.60%. There was no increase in managerial remuneration as compared to the last year.**
- (vi) We affirm that the remuneration is as per the remuneration policy of the company.

No commission to directors was payable during the year under review.

* Remuneration policy and criteria for making payment to non-executive directors

Pursuant to Section 178 (3), Nomination and Remuneration Committee (NRC) at its meeting held on 27th May, 2014 had approved and recommended policy relating to criteria for determining qualifications, positive attributes and independence of directors, the remuneration for the Directors, Key Managerial Personnel and other employees and the Board of Directors had approved the said policy as recommended by NRC, at its meeting held on 27th May 2014.

An extract of Nomination and Remuneration Policy of the Company is included as a part of the Corporate Governance Report.

AUDIT COMMITTEE

The Audit Committee consists of the following Non-Executive Directors as on March 31, 2018:

a.	Mr. Atul Desai	Chairman, Independent
b.	Mr. Ashok Jain	Member, Independent
c.	Ms. Amita Karia	Member, Independent

None of the Audit Committee's recommendations were rejected.

DEPOSITS

The Company has not accepted any deposit within the meaning of Chapter V to the Companies Act, 2013. Further, no amount on account of principal or interest on deposit was outstanding as at the end of the year under the Report.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in form MGT-9 is enclosed as Annexure I.

DETAILS OF RELATED PARTY TRANSACTIONS

Details of arrangement entered into with Welspun Steel Limited under section 189 (related party) pursuant to Rule 8 (2) of the Companies (Accounts) Rules, 2014 are mentioned in form AOC-2 enclosed as Annexure II.

As the Company neither being a holding company nor a subsidiary, disclosure of related party transaction as per Schedule V of SEBI (LODR) Regulations, 2015 are not applicable.

PREFERENTIAL ISSUE

Your company has raised funds after the closure of the financial year to the tune of Rs.405 Crore by way of preferential issue of securities including 238,258,324 equity shares of Rs.6 each and 69,415,000 warrants having option to subscribe to equal number of equity shares at the issue price of Rs.12 per share.

AUDITORS AND THEIR REPORTS

*** Statutory auditors:**

Your company's Auditors, M/s. Pathak H.D. & Associates, Chartered Accountants were appointed for the period of five years till the conclusion of 40th Annual General Meeting.

Please refer to Auditors' Observations/ Qualifications and in relation thereto the Board of Directors state as under:

- i. Comments under Emphasis of Matters read together with notes to accounts are self explanatory and therefore do not call for explanation.
- ii. With regards to the default in repayment of loans and interest thereon, the Company has settled the overdue amounts and has also repaid loans availed from four banks and loan facility from Corporation Bank is continued without any default.

No fraud was reported by the Auditors of the Company to the Audit Committee pursuant to section 143(12) of the Act.

*** Cost Auditors:**

As per Section 148 and other applicable provisions, if any, of the Act read with Companies (Audit and Auditors) Rules, 2014, the Board of Directors of your Company has appointed M/s. Kiran J. Mehta, Cost Accountants as the Cost Auditors of your Company for FY 2018-19 at a remuneration of Rs.35,000/- p.a. on the recommendations made by the Audit Committee.

Members are requested to ratify their remuneration by passing an ordinary resolution in the forthcoming Annual General Meeting.

*** Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s. Mihen Halani & Associates, Practising Company Secretaries, as the Secretarial Auditor of your company for the FY 2018-19. The Secretarial Audit Report issued by M/s. Mihen Halani & Associates for FY 2017-18 is annexed herewith as Annexure III to this Report.

As regards observations of the Secretarial Audit Report, Note 1 is self-explanatory and do not call for any comments while in case of Note 2 we state that as the Company was having huge accumulated losses and the non-public shareholders were waiting for the rise in demand by public for shares of the Company, the increase of public shareholding was delayed. However, in April 2018, a constituent of promoters' group viz. Widescreen Holdings Private Limited made offer for sale of 12,791,980 Equity Shares through the Stock Exchange Mechanism through BSE Ltd and successfully offloaded entire quantity of shares offered. Accordingly, the Company has achieved minimum public shareholding at 25% in accordance with the mechanism permitted under SEBI Circular dated 22nd February, 2018.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186.

The Company has not made any investment nor given any loan or provide any guarantee / security for repayment of loan under section 186 of the Act.

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DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees, and no personnel have been denied access to the Audit Committee Chairman.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo required pursuant to Rule 8(3) of the Companies (Accounts) Rules, 2014 are as follows:

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy.

- > Automation of Fume Extraction System (FES) of Draft cooler Fans
 - * Draft cooler fans (6 nos.) are operated independent of exhaust fume temperature.
 - * Fans were controlled via Proportionate Integrative and Derivative (PID) circuit based on flue gas inlet temperature.
 - * Now fans are operated in sequential ON/OFF with respect to temperature setting.
 - * Total energy saving of 125 KWH per day has been archived with above measures.
- > FES damper control via EAF operation
 - * FES system damper was always open independent of Electric Arc Furnace (EAF) operation.
 - * Now FES damper is controlled w.r.t. the EAF operation i.e. now, only during EAF operation the Damper is in open condition otherwise it is in OFF condition.
 - * Due to this interlock of the fan motor current (power) has been reduce by 300 ampere.
 - * This has led to daily energy saving of approx. 400 KWH.
- > Electric Arc Furnace (EAF)/ Ladle Refining Furnace (LRF) Transformer Auto tap changer
 - * EAF and LRF require different voltage level at different stages of melting
 - * We have installed Auto tap changer for both furnaces to facilitate to change tap position of furnace during melting process.
 - * During Tap changing, the voltage level of electrode is reduced or increased according to the setting of Tap changer automatically.
- > Capex on Energy Conservation Equipment:
 - * Advance Programmable Logic Control (PLC) system is being installed in Caster for energy efficiency and higher productivity with quality objective.

B. Technology Absorption :NIL

C. Foreign exchange earnings and outgo

- > Foreign exchange earned in terms of actual inflows during the year:
FOB Value of exports Rs.66 Lakh (Rs.71 Lakh)
- > Foreign exchange outgo during the year in terms of actual outflows:
Imports on CIF Basis/expenditure in foreign currency Rs.132 lakh (Rs. 442 Lakh)

CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this Report. Management Discussion and Analysis Statement is separately given in the Annual Report. A certificate from the Secretarial Auditors of the Company regarding compliance of conditions of Corporate Governance as prescribed under the SEBI (LODR) Regulations, 2015 is attached to this report as Annexure IV and Annexure V respectively.

RISK MANAGEMENT POLICY

The Board of Directors at its meeting held on 25th May, 2016 considered and approved a revamped risk management policy to suit the dynamic business environment.

Your Company is exposed to risks across all levels and functions of the organisation. The Board has approved Risk Management Policy (RMP) to effectively address financial, operational, compliance and strategic risk. A structured enterprise risk management program has been formulated and implemented. Refer to the Management Discussion and Analysis Section in this Report for risks and threats applicable to your Company.

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FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTOR

The details of familiarization program (for independent directors) are disclosed on the Company's website: www.rmgalloysteel.com.

CODE OF CONDUCT

The Company has Code of Conduct for Board members and senior management personnel. A copy of the Code has been put on the Company's website for information of all the members of the Board and Senior Management Personnel.

All Board members and senior management personnel have affirmed compliance of the same.

PARTICULARS OF EMPLOYEES

The details of employees of the Company drawing remuneration more than the amount specified under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

Sr No	Name	Designation	Remuneration Drawn during the year (Rs.)	Nature of Employment	Qualification	Date of commencement of employment	Age	Last employment
1	Sudhakar Asawale	COO & President	47,01,373	Permanent	B Tech Metallurgy	20 Nov 2017	61	JSW Steel

INTERNAL CONTROLS

Your company has adequate internal control system, which is commensurate with the size, scale and complexity of its operations. Your Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation of Section 134(5)(e) of the Act, SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and other relevant statutes applicable to your Company. The executive management and internal auditors continuously monitors the efficiency of the internal controls / compliance, with the objective of providing to the Audit Committee and the Board of Directors, an independent, objective and reasonable assurance of the adequacy and effectiveness of the organisation's risk management, control and governance processes. For the year ended March 31, 2018, the Board is of the opinion that your company has sound IFC commensurate with the nature of its business operations; wherein adequate controls are in place and operating effectively and no material weakness exists. Also refer paragraph under caption "internal control system" in Management Discussion and Analysis.

ACKNOWLEDGEMENT

Your directors take this opportunity to express gratitude for valuable assistance and cooperation extended to the Company by financial institutions, commercial banks, statutory and regulatory authorities, customers, suppliers and other agencies engaged with the Company. Your directors also wish to place on record their sincere appreciation of the dedicated services, hard work, solidarity and profuse support by all the employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-

Balkrishan Goenka

Director

DIN: 00270175

sd/-

Anuj Burakia

Whole Time Director

DIN: 02840211

Place: Mumbai

Date: 06.08.2018

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Annexure I

Form No. MGT – 9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

i. CIN :	L27100GJ1980PLC020358
ii. Registration Date :	December 29, 1980
iii. Name of the Company :	RMG Alloy Steel Limited
iv. Category / Sub Category of the Company:	Public Limited Company
v. Address of the Registered office and contact details:	Plot No.1, G.I.D.C. Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat 393110; Contact Tel: +91 226613 6000; Fax:+91 22 2490 8020 Email: allcompanysecretaryofrmgl@welspun.com
vi. Whether listed company:	Yes. BSE Limited
vii. Name, address and contact details of Registrar and Transfer Agent:	M/s. Bigshare Services Private Limited Unit : RMG Alloy Steel Limited Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai – 400059 Email investor@bigshareonline.com Tele. No.: +910226263 8200 Fax No. : +9122-6263 8261

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

- All business activities are of manufacturing steel & steel products such as Seamless Tubes & Rolled Products and hence the entire turnover is from steel & steel products.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Name and Address Of The Company	CIN / GLN	Holding / Subsidiary / Associate	% Of Shares Held	Applicable Section
NIL				

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IV. SHARE HOLDING PATTERN (equity share capital breakup as percentage of Total Equity)

i. Category wise shareholding as on 31.03.2018

Sl. No.	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A	Promoters									
(1)	Indian									
a)	Individual/HUF:-	1629	—	1629	0.00	1629	—	1629	0.00	0.00
b)	Central Govt.	—	—	—	—	—	—	—	—	—
c)	State Govt(s)	94116875	—	94116875	86.80	94116875	—	94116875	86.80	0.00
d)	Bodies Corp.	—	—	—	—	—	—	—	—	—
e)	Banks/FI	—	—	—	—	—	—	—	—	—
f)	Any other... (Trust)	355	—	355	—	355	—	355	0.00	0.00
	Total	94118859	—	94118859	86.80	94118859	—	94118859	86.80	0.00
	SUB TOTAL:(A) (1)	94118859	—	94118859	86.80	94118859	—	94118859	86.80	0.00
(2)	Foreign									
a)	NRI - Individuals	—	—	—	—	—	—	—	—	—
b)	Other - Individuals	—	—	—	—	—	—	—	—	—
c)	Bodies Corp.	—	—	—	—	—	—	—	—	—
d)	Banks/FI	—	—	—	—	—	—	—	—	—
e)	Any other...	—	—	—	—	—	—	—	—	—
	SUB TOTAL (A) (2)	—	—	—	—	—	—	—	—	—
	Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	94118859	—	94118859	86.80	94118859	—	94118859	86.80	0.00
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
a)	Mutual Funds	50	16730	16780	0.02	50	16730	16780	0.02	0.00
b)	Banks/FI	10	130	140	0.00	10	130	140	0.00	0.00
c)	Central govt	—	—	—	—	—	—	—	—	—
d)	State Govt.(s)	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—
g)	FIIIS	21	23740	23761	0.02	21	23740	23761	0.02	0.00
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i)	Others (specify)	—	—	—	—	—	—	—	—	—
	SUB TOTAL (B)(1)	81	40600	40681	0.04	81	40600	40681	0.04	0.00
(2)	Non - Institutions									
a)	Bodies Corp.									
i)	Indian	1910551	31610	1942161	1.79	1998843	31350	2030193	1.87	0.08
ii)	Overseas	—	—	—	—	—	—	—	—	—
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs.2 lakh	6416985	922917	7339902	6.77	5792280	920158	6712438	6.19	(0.58)
ii)	Individuals shareholders holding nominal share capital in excess of Rs. 2 lakh	3789482	—	3789482	3.49	3333380	—	3333380	3.07	(0.42)
c)	Others (specify)									
i)	Clearing Member	76382	—	76382	0.07	292232	—	292232	0.27	0.20
ii)	NRI	7053	30	7083	0.01	786947	30	786977	0.73	0.73
iii)	Trust	1000000	—	1000000	0.92	1000000	—	1000000	0.92	0.00
iv)	Unclaimed Suspense Account	—	121290	121290	0.11	121080	—	121080	0.11	0.00
	SUB TOTAL (B)(2)	13200453	1075847	14276300	13.16	13324762	951538	14276300	13.16	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	13200534	1116447	14316981	13.20	13324843	992138	14316981	13.20	0.00
C.	Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	107319393	1116447	108435840	100	107443702	992138	10843580	100	

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ii. Shareholding of Promoters and Change in Promoters' shareholding

Sl. No	Shareholder's name	Shareholding as on 31.03.2017			Shareholding as on 31.03.2018			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
A	Individuals / HUF (Promoters)							
1	Vishwambarlal C Saraf	916	0.00	0.00	916	0.00	0.00	0.00
2	Rajendra C Saraf	501	0.00	0.00	501	0.00	0.00	0.00
3	Minakshi R Saraf	151	0.00	0.00	151	0.00	0.00	0.00
4	Vishwambhar C Saraf (on behalf of Fulidevi Saraf Family Trust)	230	0.00	0.00	230	0.00	0.00	0.00
5	Vandana V.Saraf	1	0.00	0.00	1	0.00	0.00	0.00
6	Vishwambhar C Saraf (on behalf of Chiranjilal Saraf Family Trust)	125	0.00	0.00	125	0.00	0.00	0.00
7	Rishabh R Saraf	40	0.00	0.00	40	0.00	0.00	0.00
8	Anupama Kasera	20	0.00	0.00	20	0.00	0.00	0.00
		1984.00	0.00	0.00	1984.00	0.00	0.00	0.00
B	Promoter Group Companies							
1	Rajendra Finance Pvt. Ltd.	1,960,520	1.81	0.00	1,960,520	1.81	0.00	0.00
2	Bajrang Finance Ltd	10	0.00	0.00	10	0.00	0.00	0.00
3	Remi Securities Limited	2,313,600	2.13	0.00	2,313,600	2.13	0.00	0.00
4	K K Fincorp Limited (Formerly known as Kuber Kamal Industrial Investments Ltd)	2,313,617	2.13	0.00	2,313,617	2.13	0.00	0.00
5	Calplus Trading Pvt Ltd	6,114,390	5.64	0.00	6,114,390	5.64	0.00	0.00
6	Magnificent Trading Pvt Ltd	7,012,334	6.47	0.00	7,012,334	6.47	0.00	0.00
7	Remi Finance and Investment Pvt. Ltd.	2,460,000	2.27	0.00	2,460,000	2.27	0.00	0.00
8	Vishwakarma Jobworks Limited	2,556,545	2.36	0.00	2,556,545	2.36	0.00	0.00
9	Vayudoot Trading Limited	1,995,492	1.84	0.00	1,995,492	1.84	0.00	0.00
		26,726,508	24.65	0.00	26,726,508	24.65	0.00	0.00
C	Copromoter							
1	Widescreen Holdings Pvt. Ltd.	24,143,333	22.27	0.00	24,143,333	22.27	0.00	0.00
D	Strategic Investor							
1	Welspun Steel Ltd	43,247,034	39.88	0.00	43,247,034	39.88	0.00	0.00
	Grand total	94,118,859	86.80	0.00	94,118,859	86.80	0.00	0.00

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iii. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the shareholders	No. of Shares at the beginning the year		Date	Change in Shareholding (No. of Shares)	Shareholding at the end of the year					
		No. of Shares	% of total shares of the company		Increase/Decrease in shareholding	No. of Shares	% of total shares of the company				
1	STRESSED ASSETS STABILIZATION FUND	1,000,000	0.15	31-Mar-17	0	1,000,000	0.92				
				31-Mar-18	0	1,000,000	0.92				
2	SHAUNAK JAGDISH SHAH	470,741	0.07	31-Mar-17	0	470,741	0.43				
				9-Mar-18	5125	475,866	0.44				
				20-Mar-18	38474	514,340	0.47				
				23-Mar-18	2864	517,204	0.48				
				27-Mar-18	100110	617,314	0.57				
				31-Mar-18	0	617,314	0.57				
				31-Mar-18	0	617,314	0.57				
3	RAJESH KUMAR SOMANI	0	0.00	31-Mar-17	0	0	0.00				
				4-Aug-17	24913	24,913	0.02				
				11-Aug-17	125	25,038	0.02				
				18-Aug-17	24962	50,000	0.05				
				25-Aug-17	1001	51,001	0.05				
				1-Sep-17	8999	60,000	0.06				
				8-Sep-17	15652	75,652	0.07				
				15-Sep-17	66998	142,650	0.13				
				19-Sep-17	7350	150,000	0.14				
				22-Sep-17	18869	168,869	0.16				
				29-Sep-17	31131	200,000	0.18				
				10-Nov-17	50000	250,000	0.23				
				17-Nov-17	10000	260,000	0.24				
				24-Nov-17	40000	300,000	0.28				
				24-Jan-18	84311	384,311	0.35				
				9-Feb-18	15689	400,000	0.37				
				16-Feb-18	100000	500,000	0.46				
				31-Mar-18	0	500,000	0.46				
				4	HANUMAN FREIGHT AND CARRIERS PVT LTD	500,000	0.08	31-Mar-17	0	500,000	0.46
								31-Mar-18	0	500,000	0.46
5	KARVY STOCK BROKING LIMITED -CLIENT ACCOUNT-BSE CM	5,689	0.00	31-Mar-17	0	5,689	0.01				
				7-Apr-17	-25	5,664	0.01				
				14-Apr-17	5	5,669	0.01				
				28-Apr-17	-10	5,659	0.01				
				19-May-17	70	5,729	0.01				
				26-May-17	-70	5,659	0.01				
				9-Jun-17	10	5,669	0.01				
				23-Jun-17	-10	5,659	0.01				
				14-Jul-17	100	5,759	0.01				
				21-Jul-17	-70	5,689	0.01				
				28-Jul-17	-30	5,659	0.01				
				4-Aug-17	30	5,689	0.01				
				11-Aug-17	-1752	3,937	0.00				
				18-Aug-17	-230	3,707	0.00				
				25-Aug-17	-10	3,697	0.00				
				1-Sep-17	-20	3,677	0.00				
				15-Sep-17	4	3,681	0.00				
				19-Sep-17	26	3,707	0.00				
				22-Sep-17	-10	3,697	0.00				
				26-Sep-17	-10	3,687	0.00				
				6-Oct-17	60	3,747	0.00				
				13-Oct-17	-20	3,727	0.00				
				20-Oct-17	-40	3,687	0.00				
				27-Oct-17	10	3,697	0.00				
				31-Oct-17	-663	3,034	0.00				
				3-Nov-17	-220	2,814	0.00				
				24-Nov-17	2000	4,814	0.00				
15-Dec-17	-150	4,664	0.00								

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				12-Jan-18	119978	124,642	0.11
				17-Jan-18	-7681	116,961	0.11
				19-Jan-18	-242	116,719	0.11
				24-Jan-18	151523	268,242	0.25
				26-Jan-18	71170	339,412	0.31
				2-Feb-18	1631	341,043	0.31
				9-Feb-18	16400	357,443	0.33
				16-Feb-18	-159	357,284	0.33
				23-Feb-18	33447	390,731	0.36
				2-Mar-18	4980	395,711	0.36
				9-Mar-18	20	395,731	0.36
				16-Mar-18	-20	395,711	0.36
				20-Mar-18	11	395,722	0.36
				23-Mar-18	-10	395,712	0.36
				27-Mar-18	50	395,762	0.37
				30-Mar-18	-40	395,722	0.36
				31-Mar-18	0	395,722	0.36
6	ASHKARAN JAIN	400,000	0.06	31-Mar-17	0	400,000	0.37
				24-Jan-18	-40000	360,000	0.33
				31-Mar-18	0	360,000	0.33
7	ANVIL CONSULTANCY PRIVATE LIMITED	513,362	0.08	31-Mar-17	0	513,362	0.47
				30-Jun-17	-14395	498,967	0.46
				7-Jul-17	-28967	470,000	0.43
				14-Jul-17	-34000	436,000	0.40
				21-Jul-17	-20000	416,000	0.38
				28-Jul-17	-10000	406,000	0.37
				24-Nov-17	-34300	371,700	0.34
				12-Jan-18	-71700	300,000	0.28
				23-Feb-18	-50000	250,000	0.23
				31-Mar-18	0	250,000	0.23
8	JAGDISH AMRITLAL SHAH	244,388	0.04	31-Mar-17	0	244,388	0.23
				31-Mar-18	0	244,388	0.23
9	BP EQUITIES PRIVATE LIMITED	5,500	0.00	31-Mar-17	0	5,500	0.01
				28-Apr-17	100	5,600	0.01
				5-May-17	550	6,150	0.01
				12-May-17	-550	5,600	0.01
				23-Jun-17	100	5,700	0.01
				30-Jun-17	-100	5,600	0.01
				4-Aug-17	-100	5,500	0.01
				11-Aug-17	18	5,518	0.01
				8-Sep-17	-18	5,500	0.01
				13-Oct-17	-5500	0	0.00
				3-Nov-17	150	150	0.00
				10-Nov-17	-150	0	0.00
				8-Dec-17	455	455	0.00
				15-Dec-17	1071	1,526	0.00
				12-Jan-18	45514	47,040	0.04
				17-Jan-18	48061	95,101	0.09
				19-Jan-18	66665	161,766	0.15
				24-Jan-18	-90237	71,529	0.07
				26-Jan-18	-26783	44,746	0.04
				2-Mar-18	14984	59,730	0.06
				9-Mar-18	-40880	18,850	0.02
				16-Mar-18	13399	32,249	0.03
				20-Mar-18	-32000	249	0.00
				23-Mar-18	5270	5,519	0.01
				27-Mar-18	94481	100,000	0.09
				30-Mar-18	134142	234,142	0.22
				31-Mar-18	0	234,142	0.22
10	BP FINTRADE PRIVATE LIMITED	0	0.00	31-Mar-17		0	0.00
				20-Mar-18	182000	182,000	0.17
				27-Mar-18	5519	187,519	0.17
				31-Mar-18	0	187,519	0.17

Note: Top ten shareholders of the company as on March 31, 2018 has been considered for the above disclosure

RMG ALLOY STEEL LIMITED

iv. Shareholding of Directors and Key Managerial Personnel :

Sr. No	Name of the Director and KMP	Shareholding at the beginning of the year		Change in Shareholding	Shareholding at the end of the year	
		No. of shares	% of total shares of the company	Increase/ Decrease	No. of shares	% of total shares of the company
	Directors					
1	Mr. Atul Desai	—	—	—	—	—
2	Mr. Ashok Jain	—	—	—	—	—
3	Mr. Anuj Burakia (WTD)	—	—	—	—	—
4	Mr. Hanuman Kanodia	500	0.00	—	500	0.00
5	Ms. Amita Karia	—	—	—	—	—
6	Mr. Aneel Lasod	—	—	—	—	—
	KMP					
1	Mr. Narendra Kumar Bhandari	—	—	—	—	—
2	Mr. Nilesh Javker	—	—	—	—	—

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment.

Rs in Lacs

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	30,677	-	-	30,677
ii. Interest due but not paid	395	-	-	395
iii. Interest accrued but not due		11	-	11
Total (I + ii + iii)	31,072	11	-	31,083
change in indebtedness during the financial year.				
* Addition	685		-	685
* Reduction	2,958	-	-	2,958
* Change in Interest due but not paid	1,532	224		1,756
Net change	(741)	224	-	(517)
Indebtedness at the end of the financial year				
i. Principal Amount	28,404	-	-	28,404
ii. Interest due but not paid	1,927	-	-	1,927
iii. Interest accrued but not due		235	-	235
Total (i+ii+iii)	30,331	235	-	30,566

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL.

A. Remuneration to Managing Director, Whole-Time Directors and/or Manager : NIL

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B. Remuneration to other Directors:

Sr. No.	Particulars of Remuneration	Name of Directors			Total amount
		Amita Karia	Atul Desai	Ashok Jain	
1	Independent Directors				
	Fee for attending Board & Committee meetings	89,000	145,000	99,000	330,000
	Commission	-	-	-	-
	Others	-	-	-	-
	Total (1)	89,000	145,000	99,000	330,000
Sr. No.	Particulars of Remuneration	Name of Directors		Total amount	
		Hanuman Kanodia	Aneel Lasod		
2	Other Non-Executive Directors				
	Fee for attending Board & Committee meetings	30,000	40,000		70,000
	Commission	-	-		-
	Others	-	-		-
	Total (2)	30,000	40,000		70,000
	Total (B) = (1 + 2)		4,00,000		
	Total Managerial Remuneration				NIL
	Overall Ceiling as per the Act.				<i>The above amount is paid to directors towards fees for attending meetings of the Board or Committee. Pursuant to the Act, the amount of such fees should not exceed Rs. one lakh rupees per meeting of the Board or Committee thereof.</i>

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (p.a.)		Total
		Narendra Kumar Bhandari (CFO)	Nilesh Javker (CS)	
1	Gross Salary			
a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	6,00,000	1,80,000	7,80,000
b)	Value of perquisites u/s. 17(2) of the Income Tax Act, 1961	-	-	-
c)	Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	-As % of profit	-	-	-
	-Others	-	-	-
5	Others	-	-	-
	Total	6,00,000	1,80,000	7,80,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

For and on behalf of the Board of Directors

sd/-
Balkrishan Goenka
 Director
 DIN: 00270175

sd/-
Anuj Burakia
 Whole Time Director
 DIN: 02840211

Place: Mumbai
 Date: 06.08.2018

Annexure II

Form No. AOC-2

(Pursuant to clause (h) of subsection (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 subsection (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 NA
2. Details of material contracts or arrangement or transactions at arm's length basis
 - a. Name(s) of the related party and nature of relationship – Welspun Steel Limited (Enterprise under common control with the Company)
 - b. Nature of contracts/arrangements/transactions – Purchase of DRI/ sponge iron, stores materials, Scrap and sale of finished goods
 - c. Duration of the contracts / arrangements/transactions – 01.04.2017 to 31.03.2018
 - d. Salient terms of the contracts or arrangements or transactions including the value:
 - * Purchases of DRI/ sponge iron & Others from Welspun Steel Limited for Rs.4,309 lakh during the period from 01.04.2017 to 31.03.2018 are at a market price and on Arm's length basis.
 - * Sale of finished goods of Rs.492 lakh to Welspun Steel Ltd during the period from 01.04.2017 to 31.03.2018 are at a market price and on Arm's length basis
 - * All material transactions entered with the related party is carried out in the ordinary course of the business.
 - e. Date(s) of approval by the Board: The Board of Directors at their meeting held on February 14, 2017 approved the said transactions;
 - f. Amount paid as advances: Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-
Balkrishan Goenka
Director
DIN: 00270175

sd/-
Anuj Burakia
Whole Time Director
DIN: 02840211

Place: Mumbai
Date: 06.08.2018

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Annexure III

FORM MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
RMG ALLOY STEEL LIMITED
CIN: L27100GJ1980PLC020358

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RMG ALLOY STEEL 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 our 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 also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 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 the Company for the financial year ended on 31st March, 2018 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 Act, 1996 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 and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - 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, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - 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; and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. We have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances under other various applicable Acts, Laws, Rules and Regulations to the Company.

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

- (i) the Secretarial Standards issued by The Institute of Company Secretaries of India ("ICSI");
- (ii) The Listing Agreement/SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 entered into by the Company with Stock Exchanges.

To the best of our knowledge and belief, during the period under review, the company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

- a) During the year under review, the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

RMG ALLOY STEEL LIMITED

The committee of the Board is duly constituted. 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.

- b) Adequate notice is given to all directors to schedule the Board Meetings and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and adequate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year;

- * *The Company has failed to send Notices of Annual General Meeting along-with Financial Statements, Auditor's Report and Board's Report thereon to its shareholders at least 21 days before the meeting as required under the provisions of section 101 read with 136 of the Companies Act, 2013. However, the management has explained us that the same happened due to logistical issues and unavailability of executives.*
- * *During the period under review i.e. from 01st April, 2017 to 31st March, 2018, the Company has not maintained minimum public shareholding, i.e. 25% of the listed shares as required under regulation 19A Securities Contracts (Regulation) Rules, 1957.*

We further report that during the audit period, the following event has taken place in the company;

- * The Company has issued and allotted 3,00,00,000 (Three crores) 12% Redeemable Preference Shares of Rs. 10/- each at par on preferential basis.

We further report that during the audit period, the company has co-operated with us and have produced before us all the required forms information, clarifications, returns and other documents as required for the purpose of our audit.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretary

Date: 23.05.2018
Place: Mumbai

Mihen Halani
(Proprietor)
CP No: 12015
ACS No: 32176

APPENDIX A

To,
The Members,
RMG ALLOY STEEL LIMITED

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.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process 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.
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 the management. Our examination was limited to the verification of procedure on 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 MIHEN HALANI & ASSOCIATES
Practicing Company Secretary

Date: 23.05.2018
Place: Mumbai

Mihen Halani
(Proprietor)
CP No: 12015
ACS No: 32176

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Annexure IV

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy

RMG Alloy Steel Limited believes that for a company to succeed on a sustained basis, it must maintain global standards of corporate conduct towards its employees, shareholders, consumers and society.

The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness.

2. Board of Directors

a. Composition and Category of directors:

Details of composition of the existing Board of Directors as on 31st March 2018 are given below:

Sr. No.	Name of Director	Category	No. of Shares Held	Attendance Particulars		No. of other Directorship (as last declared to the Company)			Member / Chairman in No. of Board/ Committees including other Companies (as last declared to the Company)@
				Last Annual General Meeting	Board Meeting	Pub.	Pvt.	Other Body Corporate	
1	Mr. Atul Desai	I,C	NIL	Yes	5/5	8	0	0	C5, M8
2	Mr. Anuj Burakia	E	NIL	No	5/5	2	3	0	-
3	Mr. Ashok Jain	I	NIL	No	4/5	1	6	0	M2
4	Mr. Hanuman Kanodia	NP	100	No	3/5	2	1	0	-
5	Mr. Aneel Lasod	NP	NIL	No	4/5	1	0	0	-
6	Ms. Amita Karia	I,W	NIL	No	4/5	3	0	1	M1

@ Chairmanship/membership of the Audit Committee and the Share Transfer, Investors' Grievance and Stakeholders' Relationship Committee alone considered

Abbreviations:

P = Promoter, E = Executive Director, NE = Non Executive Director, I = Independent Non Executive, S = Shareholder, C = Chairman, M = Member, SI= Strategic Investor, NP=Nominee of promoter director W=Woman Director.

b. Number of Board Meetings held, dates on which Board Meetings held:

During the year 2016-17, the Board of Directors met Five times on the following dates: 16.05.2017, 08.09.2017, 12.12.2017, 13.02.2018 and 01.03.2018.

None of the directors are related to any other director on the Board.

c. A copy of familiarization policy of the company for independent directors is available on the website of the company www.rmgalloysteel.com.

3. AUDIT COMMITTEE

Terms of reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under Regulation 18 read with Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013.

Composition (as on March 31, 2018):

The Audit Committee consists of the following 3 NonExecutive Directors as on 31.03.2018.

Mr. Atul Desai Chairman (Independent)
Mr. Ashok Jain Member (Independent)
Ms. Amita Karia Member (Independent)

The Company Secretary of the Company, Mr. Nilesh Javker acts as the Secretary of the Committee.

Meetings and attendance during the year:

Four meetings of Audit Committee of the Board of Directors were held, viz, 16.05.2017, 08.09.2017, 12.12.2017 and

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13.02.2018. The details of Attendance of Members of Audit Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2017 to 31/03/2018)
1	Mr. Atul Desai	Chairman	4/4
2	Mr. Ashok Jain	Member	3/4
3	Ms. Amita Karia	Member	3/4

None of recommendations made by the Audit Committee were rejected by the Board.

4. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES.

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee Chairman.

5. NOMINATION AND REMUNERATION COMMITTEE

The Company had constituted the Nomination and Remuneration Committee consisting of non-executive directors majority of which are independent directors. During the year under review, four meetings of the Committee were held on 16.05.2017, 01.11.2017, 12.12.2017, 13.02.2018.

Composition (as on March 31, 2018) and attendance during the year:

The Committee comprises of 3 independent and non-executive directors as on date of this Report as listed below. The details of Attendance of Members of Nomination and Remuneration Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2017 to 31/03/2018)
1	Mr. Ashok Jain	Chairman	3/4
2	Mr. Atul Desai	Member	4/4
3	Ms. Amita Karia	Member	4/4

Terms of Reference

To recommend appointment of, and remuneration to, Managerial Personnel and review thereof from time to time.

Nomination and Remuneration Policy:

The Company follows a policy on remuneration of directors and senior management employees and the salient features thereof are as under:

Appointment of Directors:

- * While identifying persons who may be appointed directors, the Committee shall consider business of the Company, strength, weakness, opportunity and threats to company's business, existing composition of the board of directors, diversity, skills, expertise of existing directors and, background, skills, expertise, reputation and qualification possessed by persons being considered, specific requirements under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws as to composition of the Board.
- * While identifying persons who may be appointed as independent directors, the Committee shall review their qualifications and suitability to ensure that such candidates will be able to function as directors 'Independently' and void of any conflict of interest, obligations, pressure from other Board members, KMPs, senior management and other persons associated with the Company.

Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel:

- * The remuneration to executive directors, Key Managerial Personnel and Senior Management Personnel at the time of appointment shall be mutually agreed. The Committee shall consider top industry indicators, requirements of role, qualification and experience of candidate, expected contribution of executive to the profitability challenges specific to the Company and such other matters as the Committee may deem fit. The remuneration must motivate individuals to achieve benchmarks which must be aligned to the vision of the Company. It may contain fixed pay. The management shall periodically find out the remuneration scale prevalent in the industry / peer group to the extent possible to find out if there is a need for revision in remuneration for retaining the talent.
- * The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the

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shareholders. There are no pecuniary relationships or transactions with the non-executive directors vis-a-vis the Company.

- * The Non-Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs.1,00,000/ per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- * The Non-Executive Directors may be paid commission after complying with required provisions of the Companies Act, 2013.

Besides, the Committee shall take into consideration performance, of the concerned executive as well as the Company, to the growth of business, profitability, company potentiality and critical role played / initiatives taken while considering pay hike / increment to the concerned executives.

Details under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sr No.	Particulars	Mr. Anuj Burakia, Whole Time Director
1.	Salary	NIL
2.	Commission	NIL
3.	Service Contract	July 29, 2015 to July 28, 2018
4.	Notice Period	1 month
5.	Severance Fees	NIL
6.	Stock Options	NIL

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee, in accordance with the Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to look into complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividends and to review the functioning of the investors grievance redressal system.

Terms of Reference:

The terms of reference of the Committee are as contained under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Other details:

- a) Name of non-executive director heading the committee: Mr. Atul Desai, Chairman
- b) Name and designation of compliance officer: Mr. Nilesh Javker
- c) Composition (as on March 31, 2018) and details of attendance of members of the Committee are as follows::

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2017 to 31/03/2018)
1.	Mr. Atul Desai	Chairman	4/4
2.	Mr. Ashok Jain	Member	4/4

- d) No. of meetings held:

Four meetings of Stakeholders' Relationship Committee were held, viz, 16.05.2017, 08.09.2017, 12.12.2017 and 13.02.2018.

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e) Number of shareholders complaints/ requests received so far during the year:

During the year under review, total one Investors complaints were received. Break up and number of complaints received under different category is given hereunder:

Sr. no.	Category	No. of complaints Recd
1	Non Receipt of Dividend Warrant	0
2	Non Receipt of Exchange Share Certificates	1
3	Non Receipt of Annual Report	1
4	Non Receipt of Share Certificate After Transfer	1
5	Non Receipt of Demat Rejection Documents	2
6	Non Receipt of Demat Credit	0
7	SEBI	1
	Total Complaints Received	6

All the complaints/ requests received during the year under report were resolved within the time limit to the satisfaction of the investors/ shareholders and no complaints were pending as on 31st March 2018.

f) Number of complaints not solved to the satisfaction of shareholders: Nil

g) Number of pending complaints: Nil

7. INDEPENDENT DIRECTORS' MEETING

One independent directors meeting was held on 26.03.2018. Three independent directors were present at the meeting viz. Mr. Atul Desai, Mr. Ashok Jain and Ms. Amita Karia.

Board Evaluation: The evaluation process was led by the Chairman of the Nomination and Remuneration Committee with specific focus on the performance vis à vis the plans, meeting challenging situations, performing leadership role within and effective functioning of the Board. The evaluation process invited through IT enabled platform graded responses to a structured questionnaire for each aspect of evaluation viz. time spent by each of the directors, accomplishment of specific responsibilities and expertise, conflict of interest, integrity of the Director, active participation and contribution during discussions.

8. GENERAL BODY MEETINGS:

(i) The details of General Meetings held in the last three years are given hereunder:

Date	Type of meeting	Location	Time	Special Resolutions Passed
30/09/2015	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	i. Appointment of Mr. Anuj Burakia as a Whole Time Director of the Company for a period of three years with effect from 29th July, 2015 at a remuneration of Rs.10,00,000/ per annum inclusive of all perquisites. ii. Alteration of Article 3 of Articles of Associations upon increase in authorized share capital from Rs.120 Crore to Rs.130 Crore and insertion of Article 3A iii. To approve issue and allotment of 92,00,000 12% Redeemable Preference shares of Rs.10/ each at a premium of Rs.25/ per shares aggregating to Rs.32,20,00,000/ (Rupees Thirty Two Crores Twenty Lacs only) in one or more tranches to the Promoter/Co-promoter/Strategic Investor /associate companies of Promoter/Co-Promoter/Strategic Investor
27/09/2016	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	NIL
26/09/2017	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	i. Alteration of Article 3 of the Articles of Association regarding authorized share capital of the Company

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- (vi) Market Price Data HighLow Quotations during each month in last financial year i.e from 1st April 2017 to 31st March 2018 and performance in comparison to broad based indices such as BSE SENSEX is as follows:

Month	Market Price		Sensex	
	High	Low	High	Low
Apr 17	6.2	4.32	30184.22	29241.48
May 17	5.49	3.96	31255.28	29804.12
Jun 17	5.23	3.57	31522.87	30680.66
Jul 17	5.75	3.51	32672.66	31017.11
Aug 17	7.95	5.73	32686.48	31128.02
Sep 17	7.95	6.8	32524.11	31081.83
Oct 17	8.91	6.94	33340.17	31440.48
Nov 17	8.96	6.61	33865.95	32683.59
Dec 17	6.64	5.19	34137.97	32565.16
Jan 18	12.68	6.6	36443.98	33703.37
Feb 18	11.97	10.15	36256.83	33482.81
Mar 18	12.68	12.2	34278.63	32483.84

(vii) Registrar and Transfer Agent:

The transfer of shares of the Company are being done by Bigshare Services Pvt. Ltd., the R & T Agent, having address at Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai – 400059.

Contact person:

Mr. K. S. L. Upadhyya, General Manager / Ms. Ujata Pokharkar, Client Executive

Tel: 91226263 8200

Fax: 91226263 8261

Email: investor@bigshareonline.com

(viii) Share Transfer System:

The Company's Registrar and Transfer Agent registers shares received from the shareholders for transfer in physical form within 15 days from the receipt of the documents, if the same are found in order. Transfer documents under objection are returned within two weeks.

(ix) Distribution of shareholding of equity shares as on 31st March, 2018 is as follows:

Shareholding of nominal value Rs.			Total Holders		Amount	
			(in Nos.)	% of Total	in Rs.	% of Total
1	-	5000	79023	98.13	14570610	2.24
5001	-	10000	690	0.86	4605324	0.71
10001	-	20000	385	0.48	5323044	0.82
20001	-	30000	134	0.17	3475470	0.53
30001	-	40000	49	0.06	1689102	0.26
40001	-	50000	41	0.05	1814136	0.28
50001	-	100000	99	0.12	6751440	1.04
100001 and above			107	0.13	612385914	94.12
Total :			80528	100	650615040	100

- (x) Dematerialisation of shares and liquidity: 107,443,702 equity shares constituting 99.09% of the outstanding equity shares are in demat form as on 31.03.2018 and have reasonable liquidity on the BSE Limited.

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(xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and impact on equity: The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments.

(xii) commodity price risk or foreign exchange risk and hedging activities:

Refer to Management Discussion & Analysis section of this Report.

(xiii) Plant Location: Plot no.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist – Bharuch, Gujarat 393110

(xiv) Address for Correspondence : Plot no.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist – Bharuch, Gujarat 393110.

Tel No. +91 22 6613 6000, Fax No.:+91 22 2490 8020

(xv) Email Id : allcompanysecretaryofrmgl@welspun.com

(xvi) Website : www.rmgalloysteel.com

11. OTHER DISCLOSURES

i. Related Party Transactions

* Transactions with related parties are disclosed in Note No.36 of the Notes forming part of the financial statements. None of these are in conflict with the interests of the Company.

* The Company's policy on dealing with Related Party Transactions as required under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is disclosed on the Company's website and a web link thereto is as under:

<http://www.rmgalloysteel.com/images/corporatepolicy/otherpolicies/policyonrelatedpartytransactions.pdf>

ii. Details of non compliance by the Company, penalties, strictures imposed on the company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital market during the last 3 years:

* A penalty of Rs.68700/ has been imposed by the Bombay Stock Exchange for delayed submission of unaudited financial results under Clause 41 of the Listing Agreement for the quarter ended 30.06.2015.

* The time limit given by BIFR for reducing stake of non public shareholders to 75% expired on February 6, 2016. However, as the Company is having huge accumulated losses and the non-public shareholders were waiting for the rise in demand by public for shares of the Company, the increase of public shareholding was delayed. thereafter, in April 2018, a constituent of promoters' group viz. Widescreen Holdings Private Limited made offer for sale of 12,791,980 Equity Shares through the Stock Exchange Mechanism through BSE Ltd and successfully offloaded entire quantity of shares offered. Accordingly, the Company has achieved minimum public shareholding at 25% in accordance with the mechanism permitted under SEBI Circular dated 22nd February, 2018.

iii. Vigil Mechanism and Whistle Blower Policy:

The Company has a Whistle Blower Policy and Vigil Mechanism for its directors and employees and no personnel have been denied access to the Audit Committee Chairman. A copy of the policy is displayed on the website of the Company at:

<http://www.rmgalloysteel.com/images/corporatepolicy/otherpolicies/whistleblowerpolicyinvigilmechanism.pdf>

iv. The Company is in compliance with the mandatory requirements mentioned under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable and in addition the Company at its discretion adopted requirements mentioned at (D) – "Separate posts of chairperson and chief executive officer"; and (E) – "Reporting of Internal Auditor" of Part E of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

v. The Company is in compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46.

vi. **Code of Conduct –**

The Company has framed the Code of Conduct policy for Board members and Senior Management Personnel. A copy of the Code has been hosted on the Company’s website, a web link thereto is:

<http://www.rmgalloysteel.com/images/corporatepolicy/otherpolicies/codeofconductfordirectorsandseniormanagement.pdf> for information of all the members of the Board and Senior Management Personnel. All Board members and senior management personnel have affirmed compliance of the same.

A declaration signed by the Whole Time Director of the Company with respect to Compliance of Code of Conduct is given below:

“I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation that they have complied with the Code of Conduct for the financial year 2017-18.

*Sd/
Anuj Burakia*

Whole Time Director”

vii. **Disclosure of Shares held in suspense account under Clause F of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year		Number of shareholders who approached issuer for transfer of shares from suspense account during the year		Number of shareholders to whom shares were transferred from suspense account during the year		Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	
No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders	No of Shares	No of Holders
121290	7423	210	5	210	5	121080	7418

The voting rights on these shares shall remain frozen until the shares have been claimed by, and transferred to, the rightful owner.

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Certificate of Practicing Company Secretary on Corporate Governance Report

TO THE MEMBERS OF **RMG ALLOY STEEL LIMITED**

We have examined the compliance of conditions of Corporate Governance by **RMG Alloy Steel Limited**, for the year ended on 31st March, 2018, as stipulated in Clause E of Schedule V of the SEBI (LODR) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

We state that in respect of investor's grievance received during the year ended 31st March 2018, the Registrar and Transfer Agent of the Company have certified that as at 31st March, 2018, there were no investors' grievances remaining unattended/pending for more than 15 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretary

Mihen Halani
(Proprietor)
CP No: 12015
ACS No: 32176

Place: Mumbai
Date: 06.08.2018

Annexure V

MANAGEMENT AND DISCUSSION ANALYSIS

A. INDIAN INDUSTRY STRUCTURE SCENARIO & DEVELOPMENT

Overall Steel Sector outlook :

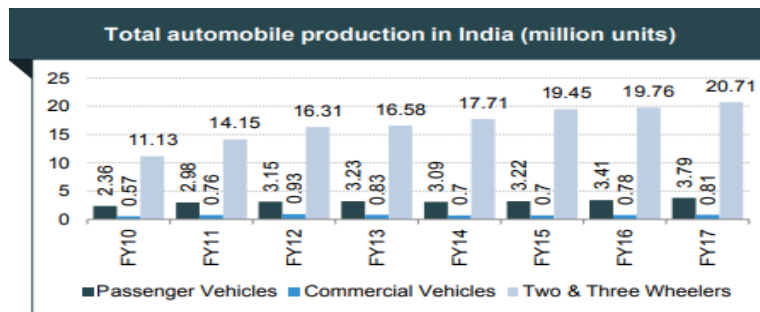
- India was an outperformer among its global peers. FY 18 proved a boom year for Indian steel industry, specially the last quarter.
- India achieved record steel production at 105 million tons. It turned net exporter. Moreover, it has very recently surpassed Japan to become the 2nd largest steel producer in the world with 134 million tons of steel making capacity. Since year 2008 India's crude steel production as below –

Calendar Year	Million Ton
2008	58.0
2009	68.5
2010	69.0
2011	73.5
2012	77.3
2013	81.4
2014	87.3
2015	89.0
2016	95.5
2017	105.0

- The current pace of growth and capacity creation in the country is in with the latest National Steel Policy (NSP-2017). The NSP envisages creation of 300 million ton capacity by year 2030.

Alloy Steel Sector Outlook -

- Indian Alloy Steel Industry which is an important segment of domestic steel industry, accounts for 8-9% share in domestic steel production and 14-15% in value terms.
- Such strong growth in production was supported by strong growth in consumption. The real consumption of alloy steel (including stainless steel) recorded a growth of 25% in FY 18, thanks to the robust growth in the auto sector in the last quarters of FY 18.



- Despite better sales volume, many alloy steel producers including our company have witnessed only gradual improvement in their financial position. This is largely because of sharp increase in raw material prices and high interest burden whereas the improvement to the sale price coming forth with an industry negotiation time lag.

B. OPPORTUNITIES & THREATS

- India's comparatively low per capita steel consumption and expected growth in consumption due to growing infrastructure construction, automobile and railways sectors have offered scope for growth. Infrastructure, oil and gas and automotives should drive the growth of the industry.
- For alloy steel sector, the major market is automotive industry (85% share) which is the backbone of Indian manufacturing sector. Large investments are forthcoming in automobile sector, and soon, India will become auto hub on the global map which will give long term opportunity for sustainable growth of alloy steel industry.
- In fact, in order to cater the domestic demand arising from automotive engineering and defense sector for special alloy steel and high end alloy steel and to promote "Make in India" vision, Government is coming out with National

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Alloy Steel Policy separately. The vision of this policy is to double the alloy steel making capacity in the country from current capacity of 10 million ton to 22 million tons by year 2030. This will provide good opportunity for the existing alloy steel producers at least for next 4-5 years until new capacity is developed.

- With recent global developments, some concerns persists among the steel industry on the changing dynamics of steel sector globally wherein nations like USA and EU have adopted protective measures to insulate there industry against import. Already 25% duty imposed by USA on steel imports and the retaliatory measures taken by EU, China etc. the steel industry / government is keenly watching the ongoing various trade pacts and assessing their possible fallouts.
- Easing regulatory hurdles ensuring adequate key raw material at sustainable price, availability of more liquidity are some issues which continue to remain critical for the overall steel sector which includes our alloy steel sector as well.

C. SEGMENT WISE AND PRODUCT WISE PERFORMANCE

Product wise performance is given in Directors' Report under the heading 'Operations'.

D. FUTURISTIC STATEMENT

Company's performance as expressed or implied could differ materially due to economic conditions affecting demand/ supply and price condition in the domestic & overseas markets, changes in the Government regulations, tax laws & other incidental factors.

E. RISK & CONCERNS

Risk is integral to any business. The Company has evolved a proper governance to identify and access potential risks and also formulate appropriate mitigation plans as under –

- Rising input cost – Identifying alternative sources for procurement of key raw material in cost competitive manner dividing the exposure into various kinds of raw materials which are also interchangeable.
- Labour availability – In order to retain the labour company has taken initiative of providing training on skill development and also introduced performance linked incentive schemes.
- Competition – To minimize the threat of competition the Company is regularly identifying the niche/high value segment and working aggressively with the customer centric approach. Various new approvals have been obtained and more are underway.
- Trade barriers – Wherever the Company finds surging of cheaper imports in the country, the matter will be timely taken through business associations with appropriate authorities in the Government for suitable protection / remedial measures.

F. INTERNAL CONTROL SYSTEM

The internal control system encompasses the policies, processes, tasks, behaviors and other aspects of our company that taken together, facilitate effective and efficient operations.

The Company employs adequate and effective system for internal control that provide for:

- i) Security of the asset
- ii) Efficient management information system
- iii) Compliance with all laws and regulations
- iv) Compliance with all standard system and quality standards.

G. INDUSTRIAL RELATIONS & HUMAN RESOURCES

Our company is maintaining the good industrial relationship. Company recognizes that human capital is its most important asset and due care is taken by various HR initiatives at company level like employee development, talent pool program etc.

H. DISCUSSION & FINANCIAL PERFORMANCE

Operational performance vis a vis financial performance of the Company is discussed in details in Directors' Report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

sd/-
Balkrishan Goenka
Director
DIN: 00270175

sd/-
Anuj Burakia
Whole Time Director
DIN: 02840211

Place: Mumbai
Date: 06.08.2018

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF **RMG ALLOY STEEL LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **RMG ALLOY STEEL LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), loss (financial performance including Other Comprehensive Income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 30 of the accompanying statement; Company's net worth is eroded and the company has continued incurring losses for the current year, indicating the existence of uncertainty that may cast doubt about the company's ability to continue as a going concern. Considering the matters set out in the said note, this statement is prepared on a going concern basis.

Our opinion is not modified in respect of matter described in Emphasis of Matter paragraph.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting standards) Rules, 2015, as amended;
 - e) The going concern matter described under the Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company,
 - f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) 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"; and
 - h) 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 in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation as at 31st March, 2018 on its financial position in its Ind AS financial statements – Refer Note 34 to the Ind AS financial statements;
 - 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; and
 - iv. During the year the disclosure related to Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance is not applicable to the Company.

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

Place: Mumbai
Dated: 23rd May, 2018

Vishal D. Shah
Partner
Membership No. 119303

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF RMG ALLOY STEEL LIMITED

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- i) In respect of Fixed Assets
 - a) The Company is in the process of updating its fixed assets register showing full particulars including quantitative details and situation of fixed assets.
 - b) We have been informed that the fixed assets of the Company are physically verified by the Management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification
 - c) As per the information and explanations provided to us, title deeds of immovable properties are in the name of the Company.

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- ii) In our opinion the inventories have been physically verified during the year by the Management at reasonable intervals and the discrepancies between physical stocks and the book stocks noticed on physical verification were not material.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties cover in the register maintained under Section 189 of the Act. Hence Clauses (iii) (a) to Clauses (iii) (c) of Paragraph 3 of the Order are not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has neither granted loans nor have made investments nor provided guarantee and securities as specified under Section 185 and 186 of the Companies Act, 2013 and hence clause (iv) of paragraph 3 of the Order is not applicable.
- v) The Company has not accepted any deposits under the provisions of section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under.
- vi) On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government of India under section 148(1) of the Act have been maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.
- vii) a) According to the books and records as produced and examined by us in accordance with the generally accepted auditing practices in India and also based on Management representations, undisputed statutory dues in respect of Provident Fund, Employees State Insurance Dues, Investor Education and Protection Fund, Income Tax, Service Tax, Custom Duty, Excise duty, Value added tax, Goods and Service Tax (GST), Cess and other material statutory dues have generally been regularly deposited, by the Company during the year with the appropriate authorities in India except in few cases with respect to professional tax where the delay ranged from 2 days to 136 days. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date of becoming payable.
- b) According to the information and explanation given to us and the records of the company examined by us, the particulars of dues of Income Tax, Service Tax, Sales Tax including Value Added Tax, Goods and Service Tax (GST), duty of Customs and duty of Excise as at 31st March, 2018 which have not been deposited on account of disputes, are as follows:

Name of Statute	Nature of the dues	Period to which amount relates	Forum where dispute is pending	Amount (Rs. in Lac)
Finance Act,1994	Service Tax	2005-06 to 2011-12	Customs, Excise & Service Tax Appellate Tribunal	103
Finance Act,1994	Service Tax	2004-05 to 2005-06	Joint Commissioner Central Excise & Customs	11
Finance Act,1994	Service Tax	2012-13 to 2013-14	Assistant Commissioner, Central Excise & Customs	5

According to the information and explanation given to us and the records of the company examined by us, there are no dues of Wealth Tax which have not been deposited on account of any dispute.

- viii) Based on our audit procedures and according to the information and explanations given to us, the company has not taken loan or borrowing from financial institution and Government. There were no debentures issued during the year or outstanding at the beginning of the year. the Company has not defaulted in repayment of loans or borrowings to banks except for the following instances of defaults in repayment of principal amount and interest :

Paticulars	Principal	Interest	Total	Period of Default
Name of Landers :				
Andhra Bank	385	656	1,041	From Sep 2017 to Mar 2018
Corporation Bank	53	88	141	Mar-18
	7	99	106	From Jan, 2018 to Mar 2018
Laxmi Vilas Bank	76	1,073	1,149	From Jan, 2018 to Mar 2018
	2	-	2	From Aug, 2017 to Mar 2018
Bank of Baroda	555	-	555	From Aug, 2017 to Mar 2018
	45	-	45	From Sep, 2017 to Mar 2018
	1123	1,916	3,039	

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- ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanation given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- x) In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion company is not a Nidhi Company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii) In our opinion and according to the information and explanations given to us the Company's transactions with its related party are in compliance with Sections 177 and 188 of the Companies Act, 2013, wherever applicable, and details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has made preferential allotment of Cumulative Redeemable Preference shares during the year in accordance with requirement of section 42 of the Companies Act, 2013 ("the Act"). The Company has not made private placement of shares or fully or partly convertible debenture during the year.
- xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company
- xvi) In our opinion and according to information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Vishal D. Shah
Partner
Membership No. 119303

Place: Mumbai
Dated: 23rd May, 2018

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE Ind AS FINANCIAL STATEMENTS OF RMG ALLOY STEEL LIMITED

(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the Internal Financial Control over financial reporting of **RMG ALLOY STEEL LIMITED** ("the Company") as of 31st March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management Responsibility for the Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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

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 and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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 31st March, 2018, 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.

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

Vishal D. Shah
Partner
Membership No. 119303

Place: Mumbai
Dated: 23rd May, 2018

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BALANCE SHEET as at 31st March, 2018

(Rs. In Lacs)

Particulars	Notes	As at 31st Mar 2018	As at 31 March 2017	As at 1st April 2016
ASSETS				
I Non-Current Assets				
(a) Property, plant and equipment	2A	10,542	11,037	11,681
(b) Capital Work in Progress	2B	714	-	-
(c) Intangible assets	3	-	-	6
(d) Income tax assets (net)	4	192	176	147
(e) Other non-current assets	5	247	-	112
Total Non-Current Assets		11,695	11,213	11,946
II Current Assets				
(a) Inventories	6	6,504	4,337	4,566
(b) Financial assets				
(i) Investments	7	6,711	-	-
(ii) Trade receivables	8	8,002	4,165	6,523
(iii) Cash and cash equivalents	9	24,258	171	403
(iv) Bank Balance Other than Cash and Cash Equivalent	10	184	201	16
(c) Other current assets	11	699	955	1,122
Total Current Assets		46,358	9,829	12,630
TOTAL ASSETS		58,053	21,042	24,576
EQUITY AND LIABILITY				
III Equity				
(a) Equity share capital	12	6,506	6,506	6,506
(b) Other equity	13	(39,088)	(50,985)	(45,109)
TOTAL EQUITY		(32,582)	(44,479)	(38,603)
IV Non-current liabilities				
(a) Financial liabilities Borrowings	14	48,535	49,583	49,646
(b) Provisions	15	159	152	149
Total Non-Current liabilities		48,694	49,735	49,795
V Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	16	27,779	9,069	7,920
(ii) Trade payables	17	7,470	3,418	3,454
(iii) Other financial liabilities	18	6,330	2,749	1,535
(b) Other current liabilities	19	324	506	450
(c) Provisions	20	38	44	25
Total Current Liabilities		41,941	15,786	13,384
TOTAL EQUITY AND LIABILITIES		58,053	21,042	24,576
Significant Accounting Policies & Notes to accounts forming an integral part of financial statements	1-43			

As per our report of even date attached

For Pathak H D & Associates

Chartered Accountants

Firm Registration No.: 107783W

Vishal D. Shah

Partner

Membership No.119303

Place : Mumbai

Date : 23rd May 2018

For and on behalf of the Board of Directors

sd/-

Anuj Burakia

Whole time Director

DIN: 02840211

sd/-

Ashok Jain

Director

DIN: 00007189

sd/-

Narendra Kumar Bhandari

Chief Finance Officer

sd/-

Nilesh Javekar

Company Secretary

ACS: 24087

RMG ALLOY STEEL LIMITED
STATEMENT OF PROFIT & LOSS for the year ended 31st March, 2018 (Rs. In Lacs)

Particulars	Notes	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
I INCOME			
Revenue from operations	21	24,009	26,204
Other income	22	468	617
Total Income		24,477	26,821
II Expenses:			
Cost of Raw materials consumed	23	14,624	13,453
Changes in Inventories of Finished Goods, WIP & stock in trade	24	(1,109)	(62)
Employee benefits expenses	25	1,428	1,600
Finance costs	26	4,683	4,507
Depreciation and amortization expense	27	661	663
Other expenses	28	10,141	12,752
Total expenses		30,428	32,913
III Profit/(Loss) before Exceptional Item & Tax		(5,951)	(6,092)
Add / (Less) Exceptional items	29	500	250
IV Profit/(Loss) before Tax		(5,451)	(5,842)
V Tax expense		-	-
VI Profit/(Loss) for the year		(5,451)	(5,842)
VII Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligation		13	(34)
Other Comprehensive Income for the year		13	(34)
Total Comprehensive Income for the year		(5,438)	(5,876)
Earning per Equity Share (Face Value of Rs.6 Per Share) :			
Basic & Diluted (in Rs.)		(5.84)	(6.04)
Significant Accounting Policies & Notes to accounts forming an integral part of financial statements	1-43		

As per our report of even date attached

For Pathak H D & Associates

Chartered Accountants

Firm Registration No.: 107783W

Vishal D. Shah

Partner

Membership No.119303

Place : Mumbai

Date : 23rd May 2018

For and on behalf of the Board of Directors

sd/-

Anuj Burakia

Whole time Director

DIN: 02840211

sd/-

Narendra Kumar Bhandari

Chief Finance Officer

sd/-

Ashok Jain

Director

DIN: 00007189

sd/-

Nilesh Javekar

Company Secretary

ACS: 24087

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STATEMENT OF CHANGES IN EQUITY

A. Equity Share Capital (Refer Note No.: 12)

(Rs. In Lacs)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
As at 1st April, 2016	6,506	-	6,506
As at 31st March, 2017	6,506	-	6,506
As at 31st March, 2018	6,506	-	6,506

B. Other Equity (Refer Note No.: 13)

Particulars	Retained Earnings	Other Comprehensive Income	Share Application Money Pending Allotment	Total
Balance as at April 1, 2016	(45,109)	-	-	(45,109)
Profit / (Loss) for the year	(5,842)	-	-	(5,842)
Other comprehensive income for the year	-	(34)	-	(34)
Balance as at March 31, 2017	(50,951)	(34)	-	(50,985)
Profit / (Loss) for the year	(5,451)	-	-	(5,451)
Other comprehensive income for the year	-	13	-	13
Application money received	-	-	17,335	17,335
Balance as at March 31, 2018	(56,402)	(21)	17,335	(39,088)

As per our report of even date attached

For Pathak H D & Associates

Chartered Accountants

Firm Registration No.: 107783W

Vishal D. Shah

Partner

Membership No.119303

Place : Mumbai

Date : 23rd May 2018

For and on behalf of the Board of Directors

sd/-

Anuj Burakia

Whole time Director

DIN: 02840211

sd/-

Narendra Kumar Bhandari

Chief Finance Officer

sd/-

Ashok Jain

Director

DIN: 00007189

sd/-

Nilesh Javekar

Company Secretary

ACS: 24087

RMG ALLOY STEEL LIMITED

STATEMENT OF CASH FLOWS

(Rs. In Lacs)

Particulars		Year ended 2017-18		Year ended 2016-17
A) Cash Flow from Operational Activities				
Profit/(loss) before exceptional Items and tax as per statement of profit and loss :		(5,951)		(6,092)
Adjustment for :				
Depreciation and amortization expenses	661		663	
Financial Costs	4,683		4,507	
Unrealized exchange difference (Net)	(1)		-	
Interest Income	(329)		(382)	
(Profit)/Loss on Sale of Property, Plant and Equipment	(2)		-	
(Profit)/Loss on Sale of Investments	(126)		(5)	
Provision for Doubtful Debts	135		65	
Sundry Credit Balances Written Back / Provision no longer required	(1)		(1)	
Re-measurements of net defined benefit plan	13		(34)	
Exceptional Item	500		250	
Capital Advance written off	-		12	
		5,533		5,075
Operating Cash Profit/(Loss) before Working Capital Changes		(418)		(1,017)
Changes in Working Capital :				
(Increase)/decrease in trade receivables & other Assets	(3,699)		2,378	
(Increase)/decrease in inventories	(2,167)		228	
Increase/(decrease) in trade & other payables	5,766		184	
Increase/(decrease) in provisions	1		21	
		(99)		2,811
Cash generated from / (used in) Operations		(517)		1,794
Less. Direct taxes paid(net of refunds)		(17)		(29)
Net cash flows (used in)/ generated from operating activities after exceptional items		(534)		1,765
B) Cash Flow from Investing Activities				
Acquisition of Property, Plant & Equipment (including Work in Progress and Capital Advance)	(1128)		(11)	
Sale of Property, Plant and Equipment	3		-	
Interest Income	329		382	
Purchase of Investments	(36,221)		(9,730)	
Sale of Investments	29,637		9,735	
Net Cash generated from / (used in) Investing Activities:		(7,380)		376

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Particulars		Year ended 2017-18	Year ended 2016-17
C) Cash Flow from Financing Activities			
Proceeds from long-term borrowings	685		1,817
Repayment of long-term borrowings	(3,062)		(848)
Proceeds of short term borrowings (net)	18,710		1,149
Share Application Money received & pending for allotment	17,335		-
Preference Share Issue	3,000		-
Interest Paid	(4,667)		(4,491)
Net Cash generated from / (used in) Financing Activities:		32,001	(2,373)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		24,087	(232)
Cash and cash equivalents at the beginning of the year		171	403
Cash and cash equivalents at the end of year		24,258	171

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Additions to property, plant, equipment and intangible assets include movements of capital work-in-progress respectively during the year.
3. Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

As per our report of even date attached

For Pathak H D & Associates

Chartered Accountants

Firm Registration No.: 107783W

Vishal D. Shah

Partner

Membership No.119303

Place : Mumbai

Date : 23rd May 2018

For and on behalf of the Board of Directors

sd/-

Anuj Burakia

Whole time Director

DIN: 02840211

sd/-

Ashok Jain

Director

DIN: 00007189

sd/-

Narendra Kumar Bhandari

Chief Finance Officer

sd/-

Nilesh Javekar

Company Secretary

ACS: 24087

1. SIGNIFICANT ACCOUNTING POLICIES**I. Company Information**

RMG Alloy Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat 393110. The Company is listed on the Bombay Stock Exchange (BSE).

The Company is a multi-product manufacturer of Rolled Product, Ingot, Bloom, Seamless Pipe, Mill Scale, Slab Casting and others.

The functional and presentation currency of the Company is the Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

The financial statements as at March 31, 2018 present the financial position of the Company.

II. Significant Accounting Policies followed by the Company

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements and in preparing the opening Ind AS balance sheet as at April 1, 2016 for the purpose of transition

(a) Basis of preparation**(i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounts) Rules, 2014 ("Previous GAAP") to Ind AS of total equity as at April 1, 2016 and March 31, 2017, total comprehensive income for the year ended March 31, 2017.

(ii) Historical cost convention

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(b) Use of estimates and critical accounting judgements

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

(d) Intangible assets**Computer software**

Intangible Assets are recognized only if acquired and it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible Assets are being amortised over a period not exceeding 4 years

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(e) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated

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useful lives as follows:

Plant & Machinery	5-30 years
Electrical Installation	10 years
Factory Building	30 years
Non-Factory Building	60 years
Office Equipment	3-5 years
Furniture and Fixtures	10 years
Vehicles	10 years

Leased Assets

Leasehold lands are amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the useful life of the building.

Plant & Machinery

The useful lives of plant & machinery have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets.

The residual values are not more than 5% of the original cost of the asset are reviewed, and adjusted if appropriate, at the end of each reporting period.

(f) Impairment of assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

(g) Current and non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is current when it is:

- * Expected to be realized or intended to be sold or consumed in normal operating cycle.
- * Held primarily for the purpose of trading,
- * Expected to be realized within twelve months after the reporting period,
OR
- * Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- * It is expected to be settled in normal operating cycle
- * It is held primarily for the purpose of trading,
- * It is due to be settled within twelve months after the reporting period,
Or
- * There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period.

All other liabilities are classified as non-current.

(i) Financial Instruments

a. Financial assets:

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Subsequent measurement

For purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized entirely in the statement of the profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income). A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** the objective of the Company's business model is to hold the financial asset to collect the contractual cash flow (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A financial assets that meets the following two conditions is measure at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.
- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test** the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements measured at amortised cost for fair value through other comprehensive income a financial asset is measured at fair value through profit or loss if doing so eliminates or a significantly reduces a measurement or recognition inconsistency sometimes referred to as an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

All other financial assets are measured at fair value through profit and loss

Derecognition

A financial asset (or where applicable a part of financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from company's balance sheet) when:

- The rights to receive cash flow from the sets have expired, or
- The company has transferred its rights to receive cash flows from the sets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass through arrangement and either
 - The company has transferred substantially all the risk and rewards to the assets, or
 - The company has neither transferred not retained substantially all the risk and rewards of the set but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership. When it has neither transferred nor retained substantially all of the risk and rewards of the assets, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of company's continuing involvement. In that case, the company also recognises an associated liability. The transferred assets the associated liability are measured on the basis that reflects the rights and open that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carry amount of the Asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b) Financial liabilities:

Initial recognition and Measurement

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables loans and borrowings including bank overdraft.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gain or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured a amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR Amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an

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existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(h) Fair value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3 — techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(i) Employee benefits

(i) Defined contribution plans

In accordance with Indian Law, eligible employees receive benefits from Provident Fund and superannuation fund, which is defined contribution plan. The Company makes specified monthly contributions towards provident fund and superannuation fund. The Company has no further obligation under the plan beyond its monthly contributions. Obligation for contributions to the plan is recognised as an employee benefit expense in the Statement of Profit and Loss when incurred.

(ii) Defined benefit plans (Gratuity)

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/(asset) are recognized immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) is treated as a net expense within employment costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

(iii) Employee leave entitlement

The employees of the Company are entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balances is provided based on an actuarial valuation carried out by an independent actuary as at the period end and charged to the Statement of profit and loss.

(j) Inventories

Raw Materials are valued at lower of cost or net realisable value. Cost is determined on weighted average basis.

Stores and Spares are valued at cost determined on weighted average basis or net realizable value, except for those which have a longer usable life, which are valued on the basis of their remaining useful life.

Semi finished and finished Goods are valued at lower of cost or net realisable value. Cost includes raw material, labour, manufacturing expenses, allocable overheads and depreciation.

Scrap is valued at net realizable value.

(k) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(l) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the

Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(m) Income tax

Income tax expense comprises of current tax and deferred tax.

• Current tax

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

• Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes at the reporting date.

The carrying amount of deferred tax assets is reviewed at 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 utilised. Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax related to item recognized outside the statement of profit and loss is recognized outside the statement of profit and loss. Deferred tax items are recognized in correlation underline transaction in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if legally enforceable right exists to setoff current tax assets against current income tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such and liabilities relate to taxes on income levied by the same governing taxation laws.

(n) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

• Revenue from sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods. Export sales are accounted for on the basis of date of bill of lading. Exports benefits are accounted on accrual basis.

• Interest and other income

The interest and other income are recognised only when no uncertainty as to measurability or collectability exists. Interest on fixed deposits is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(o) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities.

(p) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs and interest cost are charged to statement of Profit and Loss.

(q) Earnings per share**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2A Property, Plant & Equipment

Details of Property, Plant and Equipment (PPE) as under:

(Rs. In Lacs)

Particulars	Lease hold land	Free hold land	Buildings	Plant and machinery	Electrical Installation	Furniture and fixtures	Vehicles	Office equipments	Total
Gross Carrying amount:									
Deemed cost as at 1st April, 2016	351	14	8,809	31,514	1,998	110	20	201	43,017
Additions	-	-	-	11	-	-	-	2	13
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	351	14	8,809	31,525	1,998	110	20	203	43,030
Additions	-	-	39	108	-	3	-	17	167
Disposals	-	-	-	-5	-	-	-10	-	-15
Balance as at 31st March 2018	351	14	8,848	31,628	1,998	113	10	220	43,182
Accumulated depreciation:									
Balance as at April 1st, 2016	72	-	4,202	24,850	1,912	86	18	196	31,336
Additions	4	-	265	358	22	5	1	2	657
Disposals	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2017	76	-	4,467	25,208	1,934	91	19	198	31,993
Additions	4	-	265	362	23	5	-	2	661
Disposals	-	-	-	-5	-	-	-9	-	-14
Balance as at 31st March 2018	80	-	4,732	25,565	1,957	96	10	200	32,640
Net carrying amount									
Balance as at 01st April 2016	279	14	4,607	6,664	86	24	2	5	11,681
Balance as at 31st March 2017	275	14	4,342	6,317	64	19	1	5	11,037
Balance as at 31st March 2018	271	14	4,116	6,063	41	17	-	20	10,542

2B Capital Work in Progress

1st April 2016	-
31st March 2017	-
31st March 2018 (Capital work in progress towards stainless steel of Rs. 15 lacs & pipe plant projects of Rs. 699 lacs)	714

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3 Intangible assets

Details of Intangible assets are as under:

(Rs. In Lacs)

	Computers Software	Total
Gross Carrying amount:		
Deemed cost as at 1st April, 2016	32	32
Additions	-	-
Disposals	-	-
Balance as at 31st March 2017	32	32
Additions	-	-
Disposals	-	-
Balance as at 31st March 2018	32	32
Accumulated depreciation:		
Balance as at April 1, 2016	26	26
Additions	6	6
Disposals	-	-
Balance as at 31st March 2017	32	32
Additions	-	-
Disposals	-	-
Balance as at 31st March 2018	32	32
Net carrying amount		
Balance as at 01st April 2016	6	6
Balance as at 31st March 2017	0	0
Balance as at 31st March 2018	0	0

4 Income tax assets (net)

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Taxes paid (net of provision for tax)	192	176	147
	192	176	147

5 Other Non-current assets

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
(Unsecured and considered good unless otherwise stated)			
Capital advances	247	-	17
Less: Provision for doubtful debt		-	(5)
Net Capital Advance	247	-	12
Security deposits	-	-	100
	247	-	112

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6 Inventories

(Rs. In Lacs)

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Raw Materials	888	667	955
Semi Finished goods	3,065	1,814	1,644
Finished goods	206	348	456
Stores, spares and packing materials	2,457	1,620	1,623
Less: Provision for Obsolescence	(112)	(112)	(112)
Stores, spares and packing materials (Net of provision for Obsolescence)	2,345	1,508	1,511
Total	6,504	4,337	4,566

7 Investment

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Investment in Mutual Funds:			
(i) Quoted			
At fair value through profit & loss			
SBI Treasury Advantage Fund, Regular Growth Plan (348381.354 Units)	6,711	-	-
Aggregate amount of quoted investment & market value there of	6,711	-	-

8 Trade receivables

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Unsecured, considered good	8,002	4,165	6,523
Doubtful	669	586	940
Total	8,671	4,751	7,463
Allowance for doubtful trade receivables	(669)	(586)	(940)
Total trade receivables	8,002	4,165	6,523

9 Cash and cash equivalents

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Cash and cash equivalents:			
Balances with banks			
In Current Accounts	14,427	2	7
Cash on hand	1	3	2
Other bank balances:			
Fixed Deposit	9,666	-	-
In Margin Deposit Accounts*	153	165	394
Other Receivables	11	1	-
Total	24,258	171	403

*Above FD's shown in Margin Deposit Accounts are Lien Mark.

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10 Bank Balance Other than Cash and Cash Equivalent

(Rs. In Lacs)

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Other bank balances:			
Bank Deposit			
In Margin Deposit Accounts*	180	189	-
Other Receivables	4	12	16
Total	184	201	16

*Above FD's shown in Margin Deposit Accounts are Lien Mark.

11 Other current assets

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
(Unsecured and considered good unless otherwise stated)			
Security deposit	25	24	11
Loans & Advances to employees	-	0	6
Cenvat/Other Claim receivable/recoverable	4	10	23
Balances with statutory / government authorities	530	771	726
Advances to suppliers	100	112	264
Less: Provision on Advances to Suppliers	(10)	(10)	-
Advance to Supplier (Net of Provision)	90	102	264
Prepaid Expenses	50	48	92
Total	699	955	1,122

12 Equity Share capital

Particulars	As at 31st Mar 2018		As at 31 March 2017		As at 01 April 2016	
	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)
Authorised:						
Equity shares of Rs.6 each	50,00,00,000	30,000	11,00,00,000	6,600	11,00,00,000	6,600
		30,000		6,600		6,600
Issued , Subscribed and Paid up:						
Equity shares of Rs.6 each	10,84,35,840	6,506	10,84,35,840	6,506	10,84,35,840	6,506
Total		6,506		6,506		6,506

a) Reconciliation of the Number of Shares

Equity Shares : Face value of Rs.6 each	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)
As at beginning of the year	10,84,35,840	6,506	10,84,35,840	6,506	10,84,35,840	6,506
Shares issued during the year	-	-	-	-	-	-
Buyback/forfeiture/reduction shares	-	-	-	-	-	-
Outstanding at the end of the year	10,84,35,840	6,506	10,84,35,840	6,506	10,84,35,840	6,506

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b) Details of shareholder holding more than 5% shares

(Rs. In Lacs)

Name of the Shareholders	No of shares	% Held	No of shares	% Held	No of shares	% Held
Equity Shares						
Welspun Steel Limited (WS Alloy Holding Pvt Ltd merged in Welspun Steel Limited)	4,32,47,034	39.88%	4,32,47,034	39.88%	4,32,47,034	39.88%
Widescreen Holding Pvt Limited	2,41,43,333	22.27%	2,41,43,333	22.27%	2,41,43,333	22.27%
Magnificent Trading Pvt. Limited	70,12,334	6.47%	70,12,334	6.47%	70,12,334	6.47%
Calplus Trading Pvt. Limited	61,14,390	5.64%	61,14,390	5.64%	61,14,390	5.64%

c) Rights, Preference and Restriction attached to shares

Equity Shares:

The Company has 108,435,840 equity share having par value of Rs 6/- each fully paid up. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends, if any, in Indian rupees. The dividend proposed if any, by the Board of Directors is subject to the approval of the Shareholders in ensuing annual general meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive 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 share holders.

13 Other Equity

Particulars	Retained Earnings	Other Comprehensive Income	Share Application Money Pending Allotment	Total
Balance as at April 1, 2016	(45,109)	-	-	(45,109)
Profit for the year	(5,842)	-	-	(5,842)
Other comprehensive income for the year	-	(34)	-	(34)
Balance as at March 31, 2017	(50,951)	(34)	-	(50,985)
Profit for the year	(5,451)	-	-	(5,451)
Other comprehensive income for the year	-	13	-	13
Application money received	-	-	17,335	17,335
Balance as at March 31, 2018	(56,402)	(21)	17,335	(39,088)

14 Borrowings

Particulars	As at 31st Mar 2018		As at 31st March 2017		As at 01st April 2016	
	Non-current	Current maturities	Non-current	Current maturities	Non-current	Current maturities
Secured						
Indian Rupee term loans from banks	24,710	3,610	28,655	1,922	28,613	876
Unsecured						
Sales Tax Deferred Loan	208	104	312	104	416	104
12% Cumulative Redeemable Preference Shares						
of Rs.10/- each fully paid up	23,617	-	20,616	-	20,617	-
Total	48,535	3,714	49,583	2,026	49,646	980

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Secured:

- a) Rupee loan of Rs.28,320 lac (Previous year Rs. 30,577 lac) pari passu basis, by way of:
- Equitable mortgage of immoveable properties on first charge basis.
 - Hypothecation of movable fixed assets on first charge basis.
 - Second charge on current assets.
- b) Rupee loans carry interest at bank prime lending rate /base rate/ MCLR plus margin. Loans of
- Rs. 14,215 lacs (Previous year Rs. 16,193 lacs) are repayable in 30 quarterly installment starting from September 2016 and ending in April 2024.
 - Rs. 415 lacs (Previous year Rs. 574 lacs) are repayable in 20 quarterly installment starting from June 2014 and ending in March 2019.
 - Rs. 13,690 lacs (Previous year Rs. 13,810 lacs) are repayable in 32 quarterly installments starting from June 2017 and ending in August 2025.
- c) Rupee Term loans include installment of Rs.1,124 lacs (Previous Year Rupees. 132 lacs) due on the balance sheet date.

Unsecured:

- a) Sales Tax Deferred Loan is repayable from April 2015 in six equal annual installments.
- b) Details of Preference Shareholders

i. Preference Share Capital

(Rs. In Lacs)

Particulars	As at 31st Mar 2018		As at 31 March 2017		As at 01 April 2016	
	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)
Authorised:						
Preference Shares of Rs. 10/- each	26,50,00,000	26,500	6,40,00,000	6,400	6,40,00,000	6,400
		26,500		6,400		6,400
Issued, Subscribed and Paid up						
12% Cumulative Preference Shares of Rs.10/- each	8,89,04,271	8,891	5,89,04,271	5,891	5,89,04,271	5,891
		8,891		5,891		5,891

ii. Reconciliation of the Number of Shares

Particulars	As at 31st Mar 2018		As at 31 March 2017		As at 01 April 2016	
	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)
Preference Shares : Face value of Rs.6 each						
As at beginning of the year	5,89,04,271	5,891	5,89,04,271	5,891	5,89,04,271	5,891
Shares issued during the year	3,00,00,000	3,000	-	-	-	-
Buyback/forfeiture/reduction shares	-	-	-	-	-	-
Outstanding at the end of the year	8,89,04,271	8,891	5,89,04,271	5,891	5,89,04,271	5,891

iii. Details of Preference Shareholders

Particulars	As at 31st Mar 2018		As at 31 March 2017		As at 01 April 2016	
	No of shares	% Held	No of shares	% Held	No of shares	% Held
WS Alloy Holding Pvt Ltd (Demerged from Welspun Steel Ltd w.e.f. 09.05.2015)	-	-	-	-	5,09,04,271	86.42%
Welspun Fintrade Pvt Ltd	-	-	-	-	80,00,000	13.58%
Right Growth Trading Pvt Ltd	5,09,04,271	57.26%	5,09,04,271	86.42%	-	-
MGN Agro Properties Pvt Ltd	80,00,000	9.00%	80,00,000	13.58%	-	-
Welspun Steel Ltd	3,00,00,000	33.74%	-	-	-	-

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- iv. Rights, Preference and Restriction attached to shares

Preference Shares:

The CRPS carry dividend (cumulative) of 12% per annum.

- i. The CRPS 40,242,857 are redeemable with premium of Rs.25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e.19th February 2013).
- ii. The CRPS 4,285,714 are redeemable with premium of Rs.25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e.11th February 2014).
- iii. The CRPS 6,375,700 are redeemable with premium of Rs.25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e.11th November 2014).
- iv. The CRPS 8,000,000 are redeemable with premium of Rs.25 per share in three equal annual installments payable from the end of eight years to ten years from the date of allotment (i.e.23rdOctober 2015).
- v. The CRPS 3,00,00,000 are redeemable at par at the end of the nineteenth year from the date of allotment (i.e. 3rd October, 2017) or anytime earlier at mutual agreement.

15 Provisions

(Rs. In Lacs)

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Provision for employee benefits: (Refer Note: 32)			
Provision for Leave encashment	35	28	37
Provision for Gratuity	124	124	112
Total	159	152	149

16 Borrowings

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Secured Loan			
From Banks			
Working Capital Loan	4,092	6,578	5,784
Unsecured Loan			
Foreign Currency loan (Buyers Credit)	-	58	-
Other Loan	800	800	-
Loan from Related Parties (Refer Note: 35)	20,075	-	-
Supplier finance facility	2,812	1,633	2,136
Total	27,779	9,069	7,920

17 Trade payables

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Micro Small & Medium Enterprises	31	-	-
Others	7,439	3,418	3,454
Total	7,470	3,418	3,454

The company has amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act 2006 (MSMED Act) as at 31st March 2018

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The disclosure pursuant to said act is as under:

(Rs. In Lacs)

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Principal amount remaining unpaid	18	-	-
Interest due thereon (* Rs. 49,387)	*	3	7
Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-	-
Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
Interest accrued and remaining unpaid	1	3	-
Further Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise. (# FY 16-17 dues of Rs.25,187)	#	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

18 Other Financial Liability

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Current maturities of long-term debt	3,714	2,026	980
Interest accrued and due	1,927	395	268
Interest accrued but not due	235	11	7
Book Overdraft	52	27	
Employees dues payable	132	23	15
Dues for fixed assets purchases	270	262	264
Financial Liability Payable	0	5	1
Total	6,330	2,749	1,535

19 Other current liabilities

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Advances received from customers and others	76	277	50
Statutory dues payable	63	87	59
Provision for Expenses	184	103	290
Other Payables	1	39	51
Total	324	506	450

20 Provisions

Particulars	As at 31st Mar 18	As at 31st Mar 17	As at 01st Apr 16
Provision for employee benefits: (Refer Note: 32)			
Provision for Leave encashment	10	10	5
Provision for Gratuity	28	34	20
Total	38	44	25

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21 Revenue from operations

(Rs. In Lacs)

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Sales of products:		
Finished goods	23,900	26,126
	23,900	26,126
Other operating revenues:		
Exports Incentives	1	2
Other Revenue	108	75
Provision no longer required	-	1
	109	78
Total	24,009	26,204

22 Other Income

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Interest from Bank & others	329	382
Miscellaneous Income	11	230
Profit on sales of Investment (Mutual fund)	126	5
Profit on sale of fixed assets (Net)	2	-
Total	468	617

23 Cost of materials consumed

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Cost of Raw materials consumed (Refer Note: 23a)		
Inventory at the beginning of the year	668	885
Add: Purchases	14,844	13,236
Less: Inventory at the end of the year	(888)	(668)
Total	14,624	13,453

a) Details of Raw Materials Consumed:

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Metallic's	11,261	9,243
Ferro Alloys	3,058	3,251
Others	305	959
Total	14,624	13,453

24 Changes in inventories of finished goods and work-in-progress

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Inventories (at beginning)		
Finished Goods	348	456
Semi Finished Goods	1,814	1,644
Total (a)	2,162	2,100

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24 Changes in inventories of finished goods and work-in-progress (Contd.)

(Rs. In Lacs)

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Inventories (at close)		
Finished Goods	206	348
Semi Finished Goods	3,065	1,814
Total (b)	3,271	2,162
Net (Increase)/Decrease		
Finished Goods	142	109
Semi Finished Goods	(1,251)	(171)
Total (a+b)	(1,109)	(62)

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Finished Goods		
Steel	206	348
	206	348
Semi Finished Goods		
Steel	3,064	1,813
Seamless Pipe	1	1
	3,065	1,814

25 Employee benefits expense

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Salaries and wages	1,274	1,445
Contributions to provident and other funds	74	82
Contributions to Gratuity	26	27
Leave Encashment	13	11
Staff welfare expenses	41	35
Total	1,428	1,600

26 Finance cost

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Interest on Term Loan	3,422	3,272
Interest on Working Capital Loan	1,114	1,104
Other Borrowing Cost	117	131
Total	4,683	4,507

27 Depreciation and amortization expense

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Depreciation on Property, Plant and Equipment	661	656
Depreciation on Intangible Assets	-	6
Total	661	662

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28 Other expenses

(Rs. In Lacs)

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Manufacturing and Other Expenses		
Consumption of stores & spares	2,413	1,963
Power and Fuel Expenses Labour charges	5,897	6,423
Labour charges	338	401
Equipment hire charges	61	60
Job Work Expenses	211	190
Freight and forwarding charges	77	146
Excise duty on change in inventories	(39)	(12)
Repairs to buildings	4	13
Repairs to plant and machinery	56	79
Other repairs	11	24
Insurance	34	41
Communication Expenses	25	14
Provision Bad & Doubtful Debts	135	65
Rates and taxes	44	14
Excise Duty on sales	483	2,920
Travelling and conveyance	30	41
Vehicle Expenses including Hire Charges	80	85
Listing Fees	10	5
Professional and consulting charges	157	176
Director Sitting Fees	4	4
Auditors Remuneration		
-Audit Fees	8	9
-Tax Audit Fees	1	-
-Certification Fees	1	1
Exchange rate difference (net)	1	(4)
Selling and distribution expenses	1	1
Brokerage & Commission	1	1
Printing & Stationery	4	5
Security charges	37	31
Safety Expenses	4	5
Miscellaneous expenses	52	50
Total	10,141	12,751

29 Exceptional Item:

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Waiver Of Term Loan #	500	
Refund on purchase tax *		250
Total	500	250

During the year ended 31st march 2018 the company had received an waiver of Rs 500 Lacs from lender bank towards Term loan.

* As per the Letter dated 9th October 2013 of Government of Gujarat to BIFR in connection with G.R.No: 102012-593970-I, dated 8th July 2013, the Company is eligible to avail unutilized incentive. Accordingly, during the year ended 31st March 2017, the Company had accounted for the refund on the purchase tax an amount of Rs. 250 lacs.

30 GOING CONCERN

The Company continues to incur losses and its net worth is fully eroded resulting in liabilities exceeding its total assets

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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.

31 Earnings per share

(Rs. In Lacs)

Particulars	As at 31 March 18	As at 31 March 17
Earning Per Share has been computed as under		
Profit /(Loss) for the year	(5,451)	(5,842)
Less: Cumulative Dividend on 12% CRPS	883	707
Net Profit /(Loss) for the year considered for calculating Earning per share	(6,334)	(6,549)
Number of equity shares outstanding during the year	10,84,35,840	10,84,35,840
Face value per share	6	6
Basic earnings per share	(5.84)	(6.04)
Diluted earnings per share	(5.84)	(6.04)

32 Employee Benefits

As per Ind AS "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

1. Defined contribution plans

The Company makes contributions at a specified percentage of payroll cost towards Employees Provident Fund (EPF) for qualifying employees.

The Company has recognised the following amounts in the Statement of Profit & Loss.

Particulars	For the Year Ended 31st Mar 18	For the Year Ended 31st Mar 17
Employer's Contribution to Provident Fund	72	80
Superannuation Fund	2	2
Total	74	82

2. Defined Benefit Plans

Gratuity is payable to all eligible employees of the company on superannuation, death and resignation in terms of the provision of the payment of Gratuity Act. The present value of obligations is determined based on actuarial valuation using Projected Unit Credit Method, which recognized each period of service as given rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

As per Ind AS "Employee Benefits" (Ind AS - 19), the disclosures of Employee Benefits as defined in the Standard are given below:

Particulars	As at 31st Mar 2018	As at 31 March 2017
A) Amount recognised in the Balance Sheet		
Gratuity:		
Present value of obligations	152	158
Fair Value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(152)	(158)
Earned Leave:		
Present value of obligations	45	38
Fair Value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(45)	(38)

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(Rs. In Lacs)

Particulars	As at	As at
	31st Mar 2018	31 March 2017
B) Statement of Profit and loss for current period		
Gratuity:		
Employee Benefit Expense :		
Current service cost	14	16
Net interest cost	12	11
	26	27
Other Comprehensive income		
Actuarial loss/(gain) on obligation	13	(34)
	13	(34)
Expense recognized in Profit & Loss Account	39	(7)
Earned Leave:		
Employee Benefit Expense :		
Current service cost	10	6
Net interest cost	3	3
	13	9
Other Comprehensive income		
Actuarial loss/(gain) on obligation	-	-
	-	-
Expense recognized in Profit & Loss Account	13	9
C) Reconciliation of defined benefit obligation		
Gratuity:		
Opening Defined Benefit Obligation	158	132
Current Service cost	14	16
Interest cost	12	11
Actuarial loss/(gain) on obligation	(13)	34
Benefits paid	(19)	(35)
Closing Defined Benefit Obligation	152	158
Earned Leave:		
Opening Defined Benefit Obligation	38	42
Current Service cost	10	6
Interest cost	3	3
Actuarial loss/(gain) on obligation	-	2
Benefits paid	(6)	(16)
Closing Defined Benefit Obligation	45	38
D) Bifurcation of liability as per schedule III		
Gratuity:		
Current Liability*	28	34
Non-Current Liability	124	124
Net Liability	152	158
Earned Leave:		
Current Liability*	10	10
Non-Current Liability	35	28
Net Liability	45	38
E) Principle actuarial assumptions		
Discount Rate	%	%
	7.73%	7.38%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
Upto 35 Years	30.00%	30.00%
From 36 to 45 Years	12.00%	13.00%
Above 46 Years	14.00%	20.00%

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(Rs. In Lacs)

F) Sensitivity to key assumptions	March 31, 2018		March 31, 2017	
	DBO	Change in DBO (%)	DBO	Change in DBO (%)
Gratuity:				
Discount rate varied by 0.5%	152		158	
+0.5%	(0.69)	-0.5%	(0.72)	-0.5%
-0.5%	0.69	0.5%	0.72	0.5%
Salary growth rate varied by 0.5%	152		158	
+0.5%	0.39	0.3%	0.40	0.3%
-0.5%	(0.39)	-0.3%	(0.40)	-0.3%
Earned Leave:				
Discount rate varied by 0.5%	45		38	
+0.5%	(0.22)	-0.5%	2.79	7.4%
-0.5%	0.22	0.5%	3.16	8.4%
Salary growth rate varied by 0.5%	45		38	
+0.5%	0.12	0.3%	3.08	8.2%
-0.5%	(0.12)	-0.3%	2.87	7.6%

G) Profit and loss account for subsequent period

	March 31, 2019
Service cost	20
Net interest cost	16
Total included in 'Employee Benefit Expense'	37

H) Maturity Profile of Defined Benefit Obligation

	Amount
Gratuity:	
2019	46
2020	42
2021	47
2022	49
2023	49
Earned Leave:	
2019	13
2020	9
2021	10
2022	10
2023	9

33 ADDITIONAL INFORMATION

Pursuant to the provisions of 5(viii)(c) of Part II of Schedule III to the Companies Act, 2013:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Amount	(%)	Amount	(%)
A) Value of Raw Material Consumed				
-Imported	19	0.13%	635	4.72%
-Indigenous	14,605	99.87%	12,818	95.28%
Total	14,624		13,453	
B) Value of Stores & Spares Consumed				
-Imported	130	5.39%	263	13.40%
-Indigenous	2,283	94.61%	1,700	86.60%
Total	2,413		1,963	

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34 Contingent liabilities and commitments

(Rs. In Lacs)

Particulars	As at 31st March 2018	As at 31st March 2017
Capital Commitments not provided for (Net of advances)	588	-
Bank Guarantees	693	854
Bills Discounted	1,030	1,264
Service Tax	139	139
Excise Duty	-	34
Disputed Sales Tax Demands	20	20
Claim against the Company not acknowledged as debts	527	501
Dividend on Cumulative Redeemable Preference Shares (CRPS)	3,353	2,470

35 SEGMENT REPORTING

The Company operates in a single business segment i.e. manufacture of steel and steel products such as seamless tubes and rolled products and as such there are no primary and secondary segments as per the requirement of (Ind AS - 108) on "Operating Segment". The Company has no reportable geographical segment. No single customer contributes more than 10% or more of total revenue.

36 RELATED PARTY DISCLOSURE

Name of related party	Relationship
Welspun Steel Limited	Enterprise having significant influence over the Company
WS Alloy Holding Pvt. Ltd.(merged in Welspun Steel Limited w.e.f. 21ST August 2017)	Enterprise having significant influence over the Company (w.e.f. 9th May, 2015 and up to 21ST August 2017)
Rank Marketing LLP	Enterprise having significant influence over the Company
Wide Screen Holding Pvt Ltd	Enterprise having significant influence over the Company
MGN Agro Properties Pvt Ltd	Enterprise having significant influence over the Company ((Krishiraj Trading Limited merged with MGN Agro Properties Pvt Ltd w.e.f. 27th September 2016)
Key Managerial Personnel	
Anuj Burakia	Whole Time Director
Narendra Bhandari	Chief Finance Officer
Nilesh Javekar	Company Secretary
Non Executive Director	
Atul Desai	Non Executive Director & Independent Director
Ashok Jain	Non Executive Director & Independent Director
Amita Karia	Non Executive Director & Independent Director
Hanuman Kanodia	Non Executive Director
Aneel Lasod	Non Executive Director (w.e.f. 14th February 2017)
V S Iyer	Non Executive Director (upto 12th January 2017)

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Transactions with related parties

(Rs. In Lacs)

Particulars	For the Year Ended 31st March 18		For the Year Ended 31st March 17	
	Enterprise having significant influence	Key Management Personnel and others	Enterprise having significant influence	Key Management Personnel and others
Welspun Steel Limited				
Purchases	4,309		2,371	
Sales	492		548	
Reimbursement of Expenses	-		2	
Interest to Creditors	7		28	
Loan received	23,405		-	
Loan repaid	330		-	
Interest on Loan Payable	171		-	
Preference share issue	3,000	-		
Remuneration				
Anuj Burakia		-		6
Director Sitting Fees				
Atul Desai		1		1
Ashok Jain		1		1
Amita Karia		1		1
Aneel Lasod		*		*
Hanuman Kanodia		#		#
V S Iyer		-		@

* In Current Year Paid of Rs. 40,000 and Previous year paid Rs. 10,000.

In Current Year Paid of Rs. 30,000 and Previous year paid Rs. 30,000.

@ In Previous year paid Rs. 30,000.

Outstanding Balance with related parties

(Rs. In Lacs)

Welspun Steel Limited	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Outstanding Payable	3,355	572	872
Advance from Customer	-	255	-
Closing Balance of Loan payable (including Interest)	20,246	-	-
Preference share	3,000	-	-

37 Deferred Tax Liabilities (Net)

Particulars	As at 31st Mar 2018	As at 31st March 2017	As at 1st April 2016
Deferred Tax Liability			
Related to Fixed Assets	1,663	1,632	1,569
Deferred Tax Asset			
Other Disallowances under Income tax Act, 1961	302	276	231
Unabsorbed Depreciation/Business Loss (Refer note below)	1,361	1,356	1,338
Net Deferred Tax Liability	-	-	-

Note: Deferred Tax asset on account of unabsorbed depreciation and business loss has been recognized to the extent it can be realized against reversal of deferred tax liability.

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Unused tax losses and unused tax credits

(Rs. In Lacs)

Unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unused Tax losses *	8,597	7,492	6,895
Unabsorbed Tax depreciation #	10,827	10,593	10,328
Net Deferred Tax asset/ (liability)	19,424	18,086	17,223

Unabsorbed depreciation does not have any expiry period under the Income Tax Act 1961

*The following table details the expiry of the unused tax losses

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
< 4 years	5,599	4,172	4,690
< 5 years	303	2,119	1,067
< 6 years	2,118	1,067	871
< 7 years	577	135	267
< 8 years	-	-	-
Total	8,597	7,492	6,895

38 Financial Instruments

Accounting Classification and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks/financial institutions/others approximate their carrying amounts largely due to the short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

(Rs. In Lacs)

Particulars	Carrying Amount As at 31st March 2018	Fair Value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	8,002	-	-	-
Cash and cash equivalents	24,258	-	-	-
Bank balance other than cash and cash equivalent	184	-	-	-
Other financial assets	699	-	-	-
Financial assets At fair value through profit and loss Investments	6,711	6,711	-	-
	39,854	6,711	-	-
Financial liabilities				
Long term Borrowings	48,535	-	-	-
Short term Borrowings	27,779	-	-	-
Trade payables	7,470	-	-	-
Other financial liabilities	6,330	-	-	-
	90,114	-	-	-

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(Rs. In Lacs)

Particulars	Carrying Amount As at 31st March 2017	Fair Value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	4,165	-	-	-
Cash and cash equivalents	171	-	-	-
Bank balance other than cash and cash equivalents	201	-	-	-
Other financial assets	955	-	-	-
	5,492	-	-	-
Financial liabilities				
Long term Borrowings	49,583	-	-	-
Short term Borrowings	9,069	-	-	-
Trade payables	3,418	-	-	-
Other financial liabilities	2,749	-	-	-
	64,819	-	-	-

Particulars	Carrying Amount As at 1st April 2016	Fair value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost				
Trade receivables	6,523	-	-	-
Cash and cash equivalents	403	-	-	-
Bank balance other than above	16	-	-	-
Loans	-	-	-	-
Other financial assets	1,122	-	-	-
	8,064	-	-	-
Financial liabilities				
Long term Borrowings	49,645	-	-	-
Short term Borrowings	7,920	-	-	-
Trade payables	3,454	-	-	-
Other financial liabilities	1,535	-	-	-
	62,554	-	-	-

39 Financial risk management objectives and policies

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Management has overall responsibility for the establishment and oversight of the Company's risk management framework.

In performing its operating, investing and financing activities, the Company is exposed to the Credit risk, Liquidity risk and Market risk.

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 three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables, and other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial instruments and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counterparties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings.

As disclosed in Note 9, cash and cash equivalents balances generally represent short term deposits with a less than 90-day maturity.

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As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 90-360 days. But some customers take a longer period to settle the amounts.

Exposure to credit risk

Financial asset for which loss allowance is measured using expected credit loss model

(Rs. In Lacs)

Particulars	As at 31 March 18	As at 31 March 17	As at 1 April 16
Financial assets			
Cash and cash equivalent	24,258	171	403
Bank balances other than above	184	201	16
Trade receivables	8,002	4,165	6,523
Other financial assets	699	955	1,122
At end of the year	33,143	5,492	8,064

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

Particulars	As at 31 March 18	As at 31 March 17	As at 1 April 16
Trade receivables:			
Less than 90 days	7,614	3,162	4,743
90 to 180 days	131	580	1141
Over 180 days	257	423	639
	8,002	4,165	6,523

In the opinion of management, trade receivable, Financial assets, Cash and cash equivalent, Balance with Bank, Loans and other financial assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet.

The Company has recognized Rs 135 Lacs towards any loss allowance as the Company expect that there is no credit loss on trade receivables.

40 Foreign currency risk

The Company has Sales and Purchase in foreign currency. Consequently, the Company is exposed to foreign exchange risk.

The company evaluates exchange rate exposure arising from foreign currency transactions and the company follows established risk management policies, including the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

Foreign currency exposures not specifically covered by forward exchange contracts as at year end are as follows:

Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Foreign currency	Indian Rupees	Foreign currency	Indian Rupees	Foreign currency	Indian Rupees
USD	1,233	80,354	1,22,601	79,60,489	72,093	49,74,389
EURO	21,511	17,38,268	-	-	-	-

Foreign currency sensitivity

1 % increase or decrease in foreign exchange rates will have the following impact on profit before tax

(Amount in Rs.)

Currency	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	1 % increase (Rs.)	1 % decrease (Rs.)	1 % increase (Rs.)	1 % decrease (Rs.)	1 % increase (Rs.)	1 % decrease (Rs.)
USD	-804	804	-79,605	79,605	-49,744	49,744
EURO	-17,382	17,382	-	-	-	-

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Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Company has interest rate risk exposure mainly from changes in rate of interest on borrowing & on deposit with bank. The interest rate is disclosed in the respective notes to the financial statements of the Company. The following table analyse the breakdown of the financial assets and liabilities by type of interest rate:

(Rs. In Lacs)

Particulars	As at 31 March 18	As at 31 March 17	As at 1 April 16
Financial assets			
Interest bearing - Fixed interest rate			
- Non current investment	-	-	-
- Non current fixed deposit	-	-	-
- Current fixed deposit	9,999	354	394
Particulars	As at 31 March 18	As at 31 March 17	As at 1 April 16
Financial Liabilities			
Interest bearing			
Borrowings - Floating interest rate			
Working capital loan in rupee	4,092	6,578	5,784
Borrowings - Fixed interest rate			
-Loan	3,612	2,433	2,136
-Inter Company Loan	20,075	-	-

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the excluding the credit exposure for which interest rate swap has been taken and hence the interest rate is fixed. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	As at 31 March 18	As at 31 March 17	As at 1 April 16
Increase in 50 bps points			
Effect on profit before tax	-20	-33	-29
Decrease in 50 bps points			
Effect on profit before tax	20	-33	-29

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including debt and overdraft from banks at an optimised cost.

The Company maximum exposure to credit risk for the components of the balance sheet at 31 March 2018 and 31 March 2017 is the carrying amounts. The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 90 days. The other payables are with short-term durations. The carrying amounts are assumed to be a reasonable approximation of fair value.

The following table analysis financial liabilities by remaining contractual maturities:

(Rs. In Lacs)

Particulars	On demand (Rs.)	Less than 3 months (Rs.)	3 to 12 months (Rs.)	1 to 5 years (Rs.)	> 5 years (Rs.)	Total (Rs.)
Year ended 31 March 2018						
Borrowings	4,092				-	4,092
Other financial liabilities	6,060	270			-	6,330
Trade and other payables	-	6,040	844	96	491	7,470
	10,152	6,310	844	96	491	17,892
Year ended 31 March 2017						
Borrowings	6,578	-	-	-	-	6,578
Other financial liabilities	2,487	262			-	2,749
Trade and other payables	-	2,386	497	427	108	3,418
	9,065	2,656	497	427	108	10,266

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At present, the Company does expect to repay all liabilities at their contractual maturity. In order to meet such cash commitments, the operating activity is expected to generate sufficient cash inflows.

41 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. The primary objective of the Company's capital management is to maximize 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's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Rs. In Lacs)

Particulars	As at 31 March 18	As at 31 March 17	As at 1 April 16
Borrowings	76,314	58,652	57,565
Trade payables	7,470	3,418	3,454
Other financial liabilities	6,330	2,749	1,535
Less: cash and cash equivalents	(24,258)	(171)	(403)
Net debt (a)	65,856	64,648	62,151
Total equity			
Total member's capital	(32,582)	(44,479)	(38,603)
Capital and net debt (b)	33,274	20,169	23,548
Gearing ratio (%) (a/b)*100	197.92	320.53	263.93

42 First time adoption of IND AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs with effect from 1st April, 2017, with a transition date of 1st April, 2016. Ind AS 101-First-time Adoption of Indian Accounting Standards requires that all Ind AS standards and interpretations that are issued and effective for the first Ind AS financial statements which is for the year ended 31st March, 2018 for the company, be applied retrospectively and consistently for all financial years presented. Consequently, in preparing these Ind AS financial statements, the Company has availed certain exemptions and complied with the mandatory exceptions provided in Ind AS 101, as explained below. The resulting difference in the carrying values of the assets and liabilities as at the transition date between the Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity).

Set out below are the Ind AS 101 optional exemptions availed as applicable and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Optional Exemptions availed

(i) Deemed Cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Applicable mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies).

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Investment in equity instruments carried at FVPL or FVOCI;
- Investment in debt instruments carried at FVPL."

RMG ALLOY STEEL LIMITED

(ii) Classification and measurements of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Transition to Ind AS –

Reconciliations

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”.

(i) Reconciliation of Total Equity:

(Rs. In Lacs)

Particulars	Notes	As at	
		31 Mar 2017	01 Apr 2016
Equity as reported under previous GAAP		(51,004)	(45,151)
Ind AS: Adjustments increase (decrease):			
(i) Effect of accounting of transaction costs on borrowings as per Effective Interest Rate (EIR) method	A	100	115
(ii) Fair valuation of measurement of forward contract	B	(5)	(1)
(iii) Depreciation / amortisation to Property, Plant and Equipment	C	(76)	(73)
Equity as reported under IND AS		(50,985)	(45,109)

(ii) Reconciliation of Total comprehensive income

Particulars	Notes	For the year ended March 31, 2017
Profit / (Loss) as per previous GAAP (a)		(5,853)
Ind AS: Adjustments increase (decrease):		
(i) Effect of accounting of transaction costs on borrowings as per Effective Interest Rate (EIR) method	A	(15)
(ii) Fair valuation of measurement of forward contract	B	(4)
(iii) Depreciation / amortisation to Property, Plant and Equipment	C	(4)
(iv) Re-measurement gain/loss of defined benefit obligation	D	34
Total adjustment to profit or loss (b)		11
Profit or Loss under Ind AS (a+b)		(5,842)
Other comprehensive income for the year (Re-measurement of defined benefit obligation)		(34)
Total comprehensive income under Ind AS		(5,876)

Notes to Equity reconciliations and statement of total comprehensive income reconciliation with previous GAAP

- A Loan processing fees are recorded at amortised cost as per the fair value rate under Ind AS, carried at transaction value under previous GAAP
- B Forward Contract are measured at Mark to market rate under Ind AS, forward contract measured at cost under previous GAAP
- C Leasehold land is amortised basis the lease period starting from 16 Sep 1995. Amortisation expenses till 01st April 2016 is reclass on 01st April 2016.
- D Re-measurements gain or loss with regard to actuarial gains or losses on provision for gratuity to be recorded in Other comprehensive income under Ind AS.

Previous GAAP figures have been reclassified / regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

Notes to first time adoption:

Note 1: Cumulative Redeemable preference shares

The Company has issued non convertible redeemable preference shares. The preference shares carry fixed cumulative dividend which is non-discretionary. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit.

Under Ind AS, non convertible redeemable preference shares are classified as financial liability as per Ind AS 32 and accounted at fair value. Interest on financial liability is recognised using the effective interest method.

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Note 2: Reconciliation of cash flows

The Ind AS adjustments are either non cash adjustments or are regrouping among the cash flows from operating, investing and financing activities. Consequently, Ind AS adoption has no impact on the net cash flow for the year ended 31st March, 2016 as compared with the previous GAAP.

Note 3: Fair valuation of other financial instruments

Under Indian GAAP, interest free borrowing is initially measured at the transaction value at the time of initial measurement without any adjustments in regard to the fair value. Under Ind AS, interest free borrowings are to be initially measured at fair value. Subsequently these liabilities are measured at amortised cost.

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Under Indian GAAP, interest free security deposit given is measured at the transaction value at the time of initial measurement without any adjustments in regard to the fair value. Under Ind AS, interest free security deposit is to be initially measured at fair value. As at the date of transition, the interest free security deposit has been recognised at fair value based on the facts and circumstances which existed at the date of initial measurement by giving corresponding effect to retained earnings for the period from initial measurement to the date of transition and to other current assets (pre-paid expense) for the remaining period of deposit post the date of transition.

Note 4: Re-measurements of post-employment benefit obligations

Under Ind AS, re-measurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurements were forming part of the profit or loss for the year.

Note 5: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note 6: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 7: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in statement of profit and loss but are shown in the statement of profit and loss as 'OCI' includes re-measurements of defined benefit plans. The concept of OCI did not exist under previous GAAP.

Note 8: Property, plant and equipment

The Company has adopted the exemption under Ind AS 101 and has considered previous GAAP carrying amount as the deemed cost for the Opening Balance sheet as at April 1, 2016. Accordingly the Gross block of each class of Property, plant and equipment has been netted off with their respective accumulated depreciation balances as at April 1, 2016 under Previous GAAP to arrive at the deemed cost for the purpose of opening Ind AS balance sheet.

43 PREVIOUS YEAR'S FIGURES

Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report of even date attached

For Pathak H D & Associates

Chartered Accountants

Firm Registration No.: 107783W

Vishal D. Shah

Partner

Membership No.119303

Place : Mumbai

Date : 23rd May 2018

For and on behalf of the Board of Directors

sd/-

Anuj Burakia

Whole time Director

DIN: 02840211

sd/-

Ashok Jain

Director

DIN: 00007189

sd/-

Narendra Kumar Bhandari

Chief Finance Officer

sd/-

Nilesh Javekar

Company Secretary

ACS: 24087

If undelivered, please return to:

RMG ALLOY STEEL LIMITED

B Wing, 9th Floor, Trade World,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel (West), Mumbai – 400013.