

RMG ALLOY STEEL LIMITED

**37TH ANNUAL REPORT
2018 - 2019**

RMG ALLOY STEEL LIMITED

L27100GJ1980PLC020358

COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Balkrishan Goenka	-	Chairman
	Mr. Anuj Burakia	-	Whole Time Director
	Mr. Prakash Tatia	-	Director
	Mr. Atul Desai	-	Independent Director
	Ms. Amita Karia	-	Independent Director
	Mr. Myneni Narayana Rao	-	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 Yes Bank Ltd		
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	C/8, BKT House, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013. 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: vinod.y@bigshareonline.com
Tel: 91-22-6263 8200
Fax: 91-22-6263 8261

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NOTICE

To,
The Members,

NOTICE is hereby given that 37th Annual General Meeting of **RMG Alloy Steel Limited** will be held at the Registered Office, Plot No.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, in the State of Gujarat on Friday, July 26, 2019, at 9.00 am to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2019 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Prakash Tatia (DIN: 06559106) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To consider, and if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT subject to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on the approval of the Board, the appointment of M/s. Pathak H.D. & Associates, Chartered Accountants (having Firm Registration Number 107783W), as the statutory auditors of the Company to hold office from the conclusion of the 37th Annual General Meeting until the conclusion of the 38th Annual General Meeting be and is hereby ratified by the members of the Company at a fee of Rs.9,50,000 (subject to deduction of tax at source at such rate as may be applicable) and out of pocket expenses.”

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Records and Audit) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the total remuneration of Rs.35,000/- approved by the Board of Directors of the Company to M/s. Kiran J. Mehta & Co. the Cost Auditors (Firm Registration No. 000025), appointed as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 and the other duties in accordance with the applicable legal provisions, be and is hereby ratified”

5. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (“Rules”) read with Schedule IV of the Act and other applicable rules made pursuant to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law for the time being in force, if applicable, Mr. Atul Desai (DIN: 00019443), who was appointed as an Independent Director with effect from May 27, 2014 till May 26, 2019 by the members of the Company and who has submitted a declaration that he meets the criteria for independence as prescribed under Section 149 of the Act and who is eligible for re-appointment pursuant to, inter alia, Schedule IV of the Act, and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as an Independent Director of the Company to hold office for the second term of five years with effect from May 27, 2019 and whose office shall not be liable to retire by rotation.”

RESOLVED FURTHER THAT the directors and the Company Secretary of the Company be and are hereby authorized, jointly and severally, to do all such acts, deeds, things and matters to give effect to the above resolution.”

6. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, as amended from time to time, subject to such other consents and permission as may be necessary, and subject to such modifications, variations as may be approved, and based on the recommendation of the Nomination and Remuneration Committee, approval of the members be and is hereby accorded for remuneration to Mr. Anuj Burakia, who was re-appointed as Whole Time Director of the Company in Annual General Meeting of the Company held on September 26, 2018, by way of 835,000 Employee Stock Options (“ESOP”) under RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018 granted on June 1, 2018 subject to members approval before exercise at zero exercise price with each option giving entitlement for one equity share of Rs.6/- each fully paid up in compliance with the Securities and Exchange Board of India (Share Based Employee

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Benefit) Regulations, 2014, and that the equity shares to be allotted against the exercise of the ESOP shall not be transferable till June 1, 2021 except that 1/3rd of the shares allotted shall be transferable for raising funds for payment of tax payable for acquiring equity shares against the exercise of ESOPs.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to vary, alter, increase, enhance or widen the scope of the remuneration within the limits prescribed in the Act or rules thereunder, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this resolution.”

7. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13, 14 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”), Rule 29 of the Companies (Incorporation) Rules, 2014, and other applicable rules made pursuant to the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other law for the time being in force, if applicable, and subject to the approval of the Central Registration Cell of Ministry of Corporate Affairs and/or Registrar of Companies, Gujarat, Dadra and Nagar Haveli and / or such other appropriate authorities as may be necessary in this regard, consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any committee which the Board has constituted or may constitute to exercise its powers including the powers conferred under this resolution or any person duly authorised by the Board in this behalf) to change the name of the Company from ‘RMG Alloy Steel Limited to ‘Welspun Specialty Solutions Limited’ or such other name as may be approved by the Central Registration Cell of Ministry of Corporate Affairs.

RESOLVED FURTHER THAT wherever the name ‘RMG Alloy Steel Limited” is appearing as the name of the Company in the Memorandum and Articles of Association of the Company including but not limited to Clause I of the Memorandum of Association, the same be replaced by ‘Welspun Specialty Solutions Limited’ or such other name as may be approved by the Central Registration Cell of Ministry of Corporate Affairs.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized to take all such reasonable steps as they deem necessary in respect of the aforesaid resolution, including signing and filing the required e-forms, documents, returns etc. with the Registrar of Companies, Stock Exchanges and any other authority or body as may be necessary.”

8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 42, 55, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) read with rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), the policies, rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India or any other competent authority, from time to time, to the extent applicable, and subject to approval of any statutory/regulatory or other appropriate authorities and subject to such condition(s) as may be prescribed by one or more of them while granting any such approval(s), consent(s), permission(s) and/ or sanction(s), which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “Board”, which term shall be deemed to include any Committee which the Board has constituted or may constitute to exercise its powers including the powers conferred under this resolution or any person duly authorised by the Board in this behalf) and enabling provisions in the Memorandum of Association and Articles of Association of the Company, the consent, approval and sanction of the Company be and is hereby accorded to the Board of Directors to alter the terms of 35,792,000 6.5% Redeemable Preference Shares of Rs.10/- each (“RPS”) by way of extension of tenor of RPS from existing 15 months to 18 months from the date of allotment.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts deeds and things as may be necessary in this regard including but not limited to the delegation of powers to any director or committee of directors or any others person as it may deem fit subject to the provision of the Companies Act, 2013.”

9. To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (“the Act”) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any amendment, modification, variation or re-enactment to any of the foregoing), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary, and also pursuant to the consent of the Audit Committee and the Board of Directors vide resolutions passed/to be passed at their respective meetings, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board), to ratify/ approve all the material related party transactions (including any modifications, alterations or amendments thereto) entered into/ to be entered into by the Company during FY 2018-19 and FY 2019-20 in the ordinary course of business

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and on arm's length basis with related Party/ies within the meaning of the Act and Listing Obligations, as per below framework:

Sr. No.	Particulars	*Framework for terms of contract
1.	Name of the Related Party	Welspun Steel Limited
2.	Name of the Director or Key Managerial Personnel who is/may be related	Mr. Balkrishan Goenka – Chairman (Non-Executive); and Mr. Prakash Tatia- Non Executive Director
3.	Nature of Relationship	Welspun Steel Ltd is a promoter of the Company holding 49.86% equity stake.
4.	Nature and particulars of the contract / arrangement	Ongoing purchase of raw materials like DRI, scrap and other stores materials and sale of finished goods.
5.	Material terms of the contract / arrangement	In line with prevailing market price/ terms
6.	Monetary value of the contract / arrangement	For FY 2018-19 : 136.09 Crore For FY 2019-20 : upto Rs.225 Crore Thereafter : the limit of monetary value will increase by 20% p.a. over and above the preceding year's limit (the increase in amount of transaction is expected due to overall increase in production volume and hence raw material consumption)
7.	Duration of the transaction	From 01.04.2018 to 31.03.2023
8.	The indicative base price or current contracted price and the formula for variation in the price, if any	Prices are basis on arm's length having reference of market price however remains static for the contracted quantity and delivery period.
9.	Any other information relevant or important for the members to take a decision on the proposed resolution	None

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents and writings, on an ongoing basis, as may be necessary, proper or expedient for the purpose of giving effect to the above resolution.”

Place: Mumbai
Date: June 18, 2019

By Order of the Board
Sd/-
Rashmi Mamtura
Company Secretary
FCS- 8658

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.**
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Proxy shall not have the right to speak and shall not be entitled to vote except on a poll.
5. The proxy-holder shall prove his identity at the time of attending the meeting.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.

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7. A proxy form which does not state the name of the proxy shall not be considered valid. Undated proxy shall not be considered valid and if the Company receives multiple proxies for the same holdings of a member, the proxy which is dated last shall be considered valid. If they are not dated or bear the same date without specific mention of time, all such multiple proxies shall be treated as invalid.
8. When a member appoints a proxy and both the member and proxy attend the Meeting, the proxy stands automatically revoked.
9. A statement pursuant to Section 102 (1) of the Companies Act, 2013 (the Act), relating to the Special Business to be transacted at the meeting is annexed hereto.
10. Members are requested to bring their attendance slip along with copy of the Notice to the Meeting.
11. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of members of the Company will be entitled to vote.
12. The record date for the purpose of AGM will be Friday, July 19, 2019.
13. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Transfer Agent M/s. Bigshare Services Pvt. Ltd., Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Next to Keys Hotel, Marol Maroshi Road, Andheri (East), Mumbai – 400059, Contact person: Mr. Vinod Yadav (Client Executive) Tel: 91-22-62638200/22/23, Fax: 91-22-6263 8261, Email: investor@bigshareonline.com, and are also requested to immediately inform their change of address, change of e-mail address or consolidation of folios, if any, to the Company's said Registrar and Transfer Agent.
14. Members holding shares in dematerialized form are requested to intimate immediately any change pertaining to their bank details, Electronic Clearing Service (ECS) mandates, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, M/s. Bigshare Services Pvt. Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Bigshare Services Pvt. Ltd, Registrar and Transfer Agent.
15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants and members holding shares in physical form can submit their PAN details to the Company.
16. The Company will send Notice of AGM in electronic mode to its Members who have registered their e-mail addresses for the purpose. Those shareholders who have not got their email address registered or wish to update a fresh email address may do so by submitting the attached E-mail Registration-Cum Consent Form to the Company or the Registrar and Transfer Agent of the Company consenting to send the Annual Report and other document in electronic form at the said e-mail address.
17. The shareholders who wish to nominate, any person to whom his securities shall vest in the event of his death, may do so by submitting the attached Nomination Form to the Company or the Registrar and Transfer Agent of the Company. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of securities who has made the nomination, by giving a notice of such cancellation or variation.
18. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to M/s. Bigshare Services Pvt. Ltd, Registrar and Transfer Agent, for consolidation into a single folio.
19. The Notice for the Annual General Meeting will be available for inspection at the Registered Office of the Company on all working days between 10:00 a.m. to 12:00 noon upto the date of Annual General Meeting. The Notice will also be available on the Company's website at: www.rmgalloysteel.com.
20. The businesses mentioned in this Notice may be transacted through electronic voting system, the process and manner and such other details are as under:
 - a. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). The e-voting facility is available at the link <https://www.evotingindia.com>
21. A member may participate in the General Meeting even after exercising his right to vote through e-voting but shall not be allowed to vote again at the General Meeting.
22. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the General Meeting through ballot paper.
23. M/s Mihen Halani and Associates, Practicing Company Secretaries have been appointed as the Scrutinizer to scrutinize the voting by way of ballot and e-voting process in a fair and transparent manner.
24. The Chairman shall, at the General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the General Meeting but have not cast their votes by availing the e-voting facility.
25. The Scrutinizer, after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and

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thereafter unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the General Meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

26. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.rmgalloysteel.com, notice board of the Company at the registered office as well as the corporate office and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Ltd, at which the shares of the Company are listed.

Please read the instructions for e-voting before exercising the vote.

These details and instructions form integral part of the Notice for the Annual General Meeting to be held on Friday, July 26, 2019.

INSTRUCTIONS FOR E-VOTING

Members are requested to follow the instructions below to cast their vote through e-voting:

- (i) The voting period begins on Tuesday, July 23, 2019 at 9:00 am and ends on Thursday, July 25, 2019 at 5:00 pm. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, July 19, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for RMG Alloy Steel Limited (**190627002**) on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xix) above to cast vote.
- (B) The voting period begins on Tuesday, July 23, 2019 at 9:00 am and ends on Thursday, July 25, 2019 at 5:00 pm. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, July 19, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Place: Mumbai

Date: June 18, 2019

By Order of the Board

Sd/-

Rashmi Mamtura
Company Secretary
FCS- 8658

Registered Office of the Company:

Plot No.1, G.I.D.C Industrial Estate, Valia Road,
Jhagadia, Dist. Bharuch, Gujarat - 393110
Corporate Identity Number: L27100GJ1980PLC020358
E-mail: allcompanysecretaryofrmgl@welspun.com
Website: www.rmgalloysteel.com

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015

RESOLUTION NO. 4

As provided under the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Board, on the recommendation of the Audit Committee, has appointed M/s. Kiran J. Mehta & Co., Cost Auditors to conduct the audit of cost records of the Company for the Financial Year ending March 31, 2020 and perform the other duties under the applicable provisions of the law, on the total remuneration of Rs.35,000/- subject to ratification in general meeting .

Accordingly, consent of the members is sought by passing an ordinary resolution as set out at Resolution No. 4 of the Notice.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

RESOLUTION NO. 5

Mr. Atul Desai (DIN: 00019443) was appointed as an Independent Director with effect from May 27, 2014 till May 26, 2019. In accordance with the provisions of Section 149 (10) of the Companies Act, 2013, an independent director shall be eligible for reappointment on passing of a special resolution by the company. In this regard, the Company has received request in writing from a member of the Company proposing Mr. Desai's candidature for appointment as Independent Director of the Company not liable to retire by rotation in accordance with the provisions of Section 160 and other applicable provisions of the Companies Act, 2013. After considering the outcome of evaluation done by the Board of Directors in March 2019, the Board is of the view that Mr. Desai satisfies the criteria for re appointment as an Independent Director of the Company and hence recommends Resolution No. 5 for approval by members by way of a Special Resolution.

Disclosures pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Mr. Atul Desai, aged 69 years, B.Sc. LLB and a Solicitor, is a partner of M/s. Kanga & Co., leading Law firm. Mr. Atul Desai has experience of over 45 years and has attended large number of matters relating to merger, amalgamation, litigations, arbitration involving commercial dispute etc.
- Mr. Desai is not related to any of the other directors of the Company.
- Names of the listed entities in which the person also holds the directorship and the membership of Committees of the board:

Company Name	Committee Type	Chairmanship / Membership
TCFC Finance Limited	Audit Committee	Member
AYM Syntex Limited (Formerly known as Welspun Syntex Limited)	Audit Committee	Chairman
	Corporate Social Responsibility	Chairman
	Share Transfer & Investor Grievance and Stakeholders Relationship Committee	Chairman
	Nomination and Remuneration Committee	Chairman
RMG Alloy Steel Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Member
	Share Transfer & Investor Grievance and Stakeholders Relationship Committee	Chairman
Welspun Investments & Commercials Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Chairman
JSW Holdings Limited	Audit Committee	Chairman
	Nomination and Remuneration Committee	Chairman
	Corporate Social Responsibility Committee	Member
Welspun Corp Limited	-	-

* Shareholding of Mr. Desai: NIL.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution except Mr. Atul Desai to the extent of his directorship in the Company.

RESOLUTION NO. 6

Mr. Anuj Burakia (DIN: 02840211) was re-appointed as a whole time director for a period of 3 years w.e.f. July 29, 2018. Mr. Burakia was granted 835,000 Employee Stock Options ("ESOP") under RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018 on June 1, 2018, subject to approval by members before exercise, at zero exercise price with each option giving entitlement for one equity share of Rs.6/- each fully paid up in compliance with the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014. The equity shares to be allotted against the exercise of the ESOP are subject to lock in till June 1, 2021 except that 1/3rd of the shares allotted shall be transferable for raising funds for payment of tax payable for acquiring equity shares against the exercise of ESOPs.

The Company has obtained prior approval from Corporation Bank as required pursuant to Part II of Schedule V of the Act.

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I. GENERAL INFORMATION:

- (1) Nature of industry: Steel Industry
- (2) Financial performance based on given indicators:

(Rs. In Lakh)

Particulars	2018-19	2017-18
Sales and other income	44,016	24,477
Profit/(Loss) before interest, depreciation and exceptional items	(3,350)	(607)
Interest and Financial charges	945	4,683
Depreciation and Amortization	668	661
Profit/ (Loss) before exceptional items and tax	(4,963)	(5,951)
Exceptional items	2,949	500
Profit/(Loss) before tax	(2,014)	(5,451)

- (3) Foreign investments or collaborations, if any.: the Company does not have outstanding outbound foreign investment or collaboration.

II. INFORMATION ABOUT THE APPOINTEE:

- (1) Background details: Mr. Anuj Burakia, aged 39 years is a qualified Chartered Accountant and has more than 16 years' experience in steel business of the group. Before assuming responsibility of heading the steel business in 2007, Mr. Burakia during his career remained involved with various multiple functions and roles including Enterprise Resource Planning (ERP), operation, projects, commercial etc.
- (2) Past remuneration: Mr. Burakia has not drawn any remuneration from the Company in the preceding financial year of the date of grant of ESOPs. to him.
- (3) Recognition or awards: NIL
- (4) Job profile and his suitability: Mr. Burakia has long 17 years of experience and a great insight in the steel industry. Currently he is heading the overall business of Company and possesses strong business acumen and managerial capabilities. He could therefore exercise effective controls over end to end business aspects. As a strategist, he spearheaded the project of inducting high value-added stainless steel cast / rolled products as well as niche SS seamless pipes in the basket of offerings which will give a new high to the company's performance in times to come.
- (5) Remuneration proposed: 835,000 Employee Stock Options ("ESOP") under RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018 on June 1, 2018, subject to approval by members before exercise, at zero exercise price with each option giving entitlement for one equity share of Rs.6/- each fully paid up in compliance with the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Looking to his education, experience in the field of pipe, plate and steel, size of the company, the proposed remuneration is justified to retain the managerial person.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: other than the remuneration stated hereinabove, Mr. Burakia does not have any other pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel.

III. OTHER INFORMATION:

- (1) Reasons of loss or inadequate profits: the Company was a sick company with accumulated losses. With an overall weak outlook of sector as such and aggravated competition from cheaper imports, utilization of Plant capacity remained low leading to losses. Further, the Company undertook capex project for overhauling and revamping of existing plant and machinery for the better utilization of installed capacity of the machinery which required major maintenance and hence shutting of the plant from time to time during 2018-19 which resulted in lower productivity and higher cost of production.
- (2) Steps taken or proposed to be taken for improvement: There was a need to revamp the manufacturing capability, adoption of modern technology wherever there was a direct bearing on energy optimization and introduction of some niche products to the overall offerings of the Company. With that objective and under a well chalked out plan, company has incurred capital expenditure on modernization of its existing manufacturing facilities and gone for manufacturing of SS products including Seamless SS pipes & tubes. The Company secured registration under Industrial & Mines Department (Govt. of Gujarat) resolution No.MIS/10/2015/702426/P dated 11-09-2017 which makes the Company eligible for various reliefs & concessions from Government of Gujarat as per the extant policy in this regard. The management is hopeful, this concession will further help and reinforce revival of the Company.
- (3) Expected increase in productivity and profits in measurable terms: It is estimated that the company will attain positive net profits by end of FY 19-20.

The Board recommends Resolution No. 6 for approval by members by way of a Special Resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution except Mr. Anuj Burakia to the extent of his directorship and shareholding in the Company.

RESOLUTION NO. 7

With the classification of Saraf Group and Widescreen Holdings Pvt Ltd as public shareholders, Welspun Group has become the sole promoter of the Company. Besides, the Company has started vertical expansion in the business aiming to provide all alloy, other specialty steel products and seamless pipes & tubes, which in a way provides solution to many special requirements of various sectors. Accordingly, it is proposed to change the name of the Company from RMG Alloy Steel Ltd to Welspun Specialty Solutions Ltd.

The proposed change of name requires approval by the shareholders of the Company by way of a Special Resolution and is subject to further approval by the Central Registration Cell of Ministry of Corporate Affairs and/or Registrar of Companies, Gujarat, Dadra and Nagar Havelli and / or such other appropriate authorities as may be necessary in this regard.

The Board recommends the said resolution for approval of the shareholders as a special resolution.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution.

RESOLUTION NO. 8

It is proposed to amend the terms of 35,792,000 6.5% Redeemable Preference Shares of Rs.10/- each ("RPS") by way of extension of tenor of RPS from existing 15 months from the date of allotment to 18 months from the date of allotment. Since the RPS holders had intent to utilize the redemption amount of RPS to subscribe to further issue of equity/ warrants convertible into equity and such further issue may take little longer time, therefore it would be appropriate to extend the tenor of RPS as mentioned in the proposed resolution.

Pursuant to the provisions of Section 48 of the Companies Act, 2013, the consent of three-fourths of RPS holders have been obtained.

Members' approval is sought by way of a special resolution proposed under Resolution No.8.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise, in the proposed Resolution except to the extent disclosed above and to the extent of their shareholding, if any, in the Company.

The Board recommends the resolution as set out in the notice for approval of the members.

RESOLUTION NO. 9

Your company generally buys and sells product from and to Welspun Steel Ltd in ordinary course of business and at arms length basis, which would fall in the definition of "Related Parties" under the Companies Act, 2013 ("the Act") and/or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules') exempts a company from obtaining consent of the Board of Directors and the members in case the related party transactions entered into by the Company are in the ordinary course of business and on arm's length basis.

However, Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') requires approval of the members through a resolution for all material related party transactions, even if they are entered into in the ordinary course of business and on arm's length basis, if the same is not exempt under Regulation 23(5) of the Listing Regulations. For this purpose, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements.

Your company has bought and sold goods with Welspun Steel Limited which transactions fall under the category of material related party transaction requiring shareholders' approval. Further, your company may have to enter into similar material related party transactions in future requiring shareholders' approval, the framework of which has been recommended by the Audit Committee and approved by the Board of Directors of the Company in the text of the resolution proposed in the Notice.

All the material related party transactions entered/to be entered into by the Company (for which members approval is being sought) are/would be on arm's length basis and in the ordinary course of business and approval of the Audit Committee / Board is obtained/would be obtained, wherever required.

Information required to be given in the explanatory statement pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 forms part of the resolution.

Shareholders' approval by way of a special resolution is therefore sought for the resolution set out in this Notice in terms of Regulation 23 of the Listing Regulations. Welspun Steel Ltd, holding 49.86% equity stake in the Company and Mr. Prakash Tatia (common director and holding 0.04% equity shares of the Company), are not entitled to vote on the resolution proposed in this Notice.

Except for Mr. Balkrishan Goenka and Mr. Prakash Tatia, none of the Directors and/or any Key Managerial Personnel of the Company and/or their relatives may be concerned or interested (financially or otherwise) in the resolution.

Place: Mumbai

Date: June 18, 2019

By Order of the Board

Sd/-
Rashmi Mamtura
Company Secretary
FCS- 8658

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DIRECTORS' REPORT

To,
The Members,
RMG Alloy Steel Limited,

Your directors are pleased to present the Thirty Seventh Annual Report together with Audited Financial Statement of the Company for the year ended 31st March 2019.

FINANCIAL RESULTS

(Rs. in Lakh)

Particulars	2018-19	2017-18
Sales and other income	44,016	24,477
Profit/(Loss) before interest, depreciation and exceptional items	(3,350)	(607)
Interest and Financial charges	945	4,683
Depreciation and Amortization	668	661
Profit/ (Loss) before exceptional items and tax	(4,963)	(5,951)
Exceptional items	2,949	500
Profit/(Loss) before tax	(2,014)	(5,451)

OPERATIONS

Operations of the Company were as under:

Particulars	2018-19			2017-18		
	Production (Tones)	Sales (Qty M.T.)	Gross Sales (Rs.in Lakh)	Production (Tones)	Sales (Qty M.T.)	Gross Sales (Rs.in Lakh)
Steel	75,280	71,458	43,715	42,757	40,862	24,164

The year witnessed many challenges which adversely affected the business performance.

- Steep hike in graphite electrode prices, a major impact on cost of steel making through EAF route.
- Post festival season, generally automobile demand improves significantly. But this year suddenly due to liquidity crisis in the market, there was a sudden fall in demand for automobiles, a major user of our products, which compelled the automobile manufacturers to defer their steel procurement schedules and there is no improvement in demand till now.

With the continuation of government at the center for the second term and the normal monsoon predictions, we expect revival of demand in the next couple of months.

The Company was granted registration on 22/06/2018 under Industrial & Mines Department (Govt. of Gujarat) resolution No.MIS/10/2015/702426/P dated 11-09-2017 which makes the Company eligible for various reliefs & concessions from Government of Gujarat as per the extant policy in this regard. The management is hopeful, this concession will help to revive the business of the Company.

Except as mentioned in this Report, no material change or commitment has occurred which would have affected the financial position of your Company between the end of the financial year of your Company to which the financial statements relate and the date of the Report.

DIVIDEND AND RESERVES

In view of the loss during the year as well as accumulated losses, your directors could not recommend any dividend for the financial year ended on March 31, 2019 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:

- In the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2019 and of the profit and loss of the Company for that period;
- 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.

DIRECTORS/ KEY MANAGERIAL PERSONNEL (KMP)

a. Board of Directors:

Mr. Hanuman Kanodia (non-executive director) and Mr. Aneel Lasod (non-executive director) resigned with effect from August 6, 2018. Mr. Ashok Jain (independent director) tendered his resignation on account of his pre-occupation w.e.f. August 6, 2018.

Mr. Balkrishan Goenka was appointed as a non-executive director of the Company with effect from August 8, 2018 and subsequently appointed as the Chairman of the Company with effect from August 28, 2018. Mr. Myneni Narayana Rao and Mr. Prakash Tatia were appointed as additional directors effective from August 28, 2018.

During the year Mr. Balkrishan Goenka (Chairman), Mr. Prakash Tatia (non-executive director) and Mr. Myneni Narayana Rao (independent director) were appointed as directors by the members in their Annual General Meeting held on September 24, 2018.

Mr. Prakash Tatia (non-executive director) of the Company, retiring by rotation at the 37th Annual General Meeting and being eligible, has offered himself for reappointment. Board has recommended his reappointment.

Mr. Atul Desai was appointed as an Independent Director for five years from May 27, 2014 till May 26, 2019. Now being eligible for reappointment and meeting the criteria for independence as prescribed under Section 149 of the Act, after consideration of outcome of evaluation done by the Board of Directors in March 2019, the Board has approved reappointment of Mr. Desai for second term of five years subject to approval by members by way of special resolution in the ensuing general meeting.

Eight (8) meetings of Board of Directors were held during the financial year 2018-19, 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.

Mr. Anuj Burakia (Whole Time Director) was re-appointed for further period of 3 years w.e.f. July 29, 2018 by members in their Annual General Meeting held on September 24, 2018.

c. Declaration by Independent Directors:

Mr. Atul Desai, Mr. Myneni Narayana Rao 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.

d. Annual Board Evaluation:

The performance evaluation of the Directors was conducted by the entire Board (excluding the director being evaluated) on the basis of a structured questionnaire which was prepared after taking into consideration SEBI's Guidance Note on board evaluation and inputs received from the directors, covering various aspects of the Board's functioning viz. adequacy of the composition of the Board and its Committees, 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 and governance.

For the financial year 2018-19, the annual performance evaluation was carried out by the Independent Directors, Nomination and Remuneration Committee and the Board, which included evaluation of the Board, Independent Directors, Non-independent Directors, Executive Directors, Chairman, Committees of the Board, Quantity, Quality and Timeliness of Information to the Board. All the results were satisfactory to the Board.

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 cannot be derived as no remuneration was paid to any directors during the year under consideration.**

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- (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: **11.11%.**
- (iv) the number of permanent employees on the rolls of company: **683.**
- (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 increase in remuneration of employees excluding KMP in last financial year was 7.36%. There was no increase in managerial remuneration as compared to the last year.**
- (vi) the remuneration is as per the remuneration policy of the Company.

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

PARTICULARS OF EMPLOYEES

The details of employees of the Company drawing remuneration as prescribed 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	Esperience (Years)	Date of commencement of employment	Age	Last employment	% of equity shares	relative
1.	Sudhakar Asawale	COO & President	13595568	Permanent	B Tech Metallurgy	40.60	20 Nov 2017	62	JSW Steel	NIL	NO
2.	Dinesh Pahade	Senior Vice President	7225000	Permanent	BE	26.9	01/05/2018	56	Tubacex	NIL	NO
3.	Nitin Bhat	Senior Vice President	7500000	Permanent	BE Metallurgy, MBA	31.06	18/Apr/16	55	Kalyani Carpenter Special Steels Ltd	NIL	NO
4.	Shrinivas Durge	Senior Vice President	6603744	Permanent	BE-Mechanical	36.6	10/11/2010	59	Ispat Industries	NIL	NO
5.	Naresh Bansal	Senior Vice President	6500004	Permanent	B.Com. + CA	29.1	16/04/2018	55	Bansal Naresh & Co. CA.	NIL	NO
6.	Samir Malhotra	Vice President	6264329	Permanent	B E Metallurgy, MBA Sales	24.96	24-May-18	50	Arora Iron & Steels Ltd as Head Marketing	NIL	NO
7.	Madhukar Bansal	Vice President	3524384	Permanent	BE-Metallurgical	31.7	03/09/2018	57	Rimjhim Ispat Ltd	NIL	NO
8.	Minine Gudinho	Vice President	4500000	Permanent	BE-Electrical	31.1	10/04/2018	55	Jindal South West	NIL	NO
9.	Narendra Hinge	Vice President	3900000	Permanent	BE-Metallurgical	27.2	03/03/2018	53	Sun flag Iron & Steel co. Ltd	NIL	NO
10.	Balasubramanian Natrajan	President	1342467	Permanent	BE - Electrical	49.4	09/01/2019	70	ISMT as Freelancer	NIL	NO

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

Pursuant to Section 178 (3) and provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Nomination and Remuneration Committee (NRC) at its meeting held on 5th February, 2019 had approved and recommended a revamped 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 revised policy as recommended by NRC, at its meeting held on 5th February, 2019.

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, 2019:

a.	Mr. Atul Desai	Chairman, Independent
b.	Mr. M. Narayana Rao	Member, Independent
c.	Ms. Amita Karia	Member, Independent
d.	Mr. Anuj Burakia	Member, Whole Time Director

None of the Audit Committee's recommendations were rejected.

EMPLOYEE STOCK OPTIONS

The Company granted stock options during the year under Report, disclosure as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 are as under:

(I) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -	
(a) Name of the ESOP Plan	RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018
(b) Date of shareholders' approval	15.05.2018
(c) Total number of options approved under ESOS	2,000,000
(d) Vesting requirements	The Vesting of ESOPs shall happen at every anniversary of the date of grant in quantum of 35%, 35% and 30% of the total ESOPs granted, over the period of 3 years from the date of grant
(e) Exercise price or pricing formula	Nil
(f) Maximum term of options granted	Upto the third anniversary from the date of Vesting
(g) Source of shares (primary, secondary or combination)	Primary
(h) Variation in terms of options	-
(II) Method used to account for ESOS - Intrinsic or fair value.	Fair Value
(III) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
(IV) Option movement during the year	
Number of options outstanding at the beginning of the period	0
Options granted	1,782,000
Options vested	Nil
Options exercised	Nil
The total number of shares arising as a result of exercise of option	Nil
Options forfeited / lapsed	530,000
The exercise price	Nil
Money realized by exercise of options	Nil
Loan repaid by the Trust during the year from exercise price received	Not Applicable
Number of options outstanding at the end of the year	1,252,000
Number of options exercisable at the end of the year	Nil
Employee wise details of options granted to:-	
<ul style="list-style-type: none"> ● Key managerial personnel Mr. Anuj Burakia 	835,000
<ul style="list-style-type: none"> ● Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year Mr. Chintan Thaker Mr. Sudhakar Asawale 	417,000 530,000 (lapsed)
<ul style="list-style-type: none"> ● Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant. 	Nil
Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earnings Per Share.	(0.88)

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<p>Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock</p> <p>A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:</p> <p>(i) risk-free interest rate</p> <p>(ii) expected life</p> <p>(iii) expected volatility</p> <p>(iv) expected dividends</p> <p>(v) the price of the underlying share in market at the time of option grant.</p>	<p>Exercise Price: Nil Fair Value 25.50</p> <p>7.84% to 8.02%%</p> <p>4 to 6 years</p> <p>56.85%</p> <p>0%</p> <p>25.50</p>
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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

An extract of the annual return in Form MGT-9 of the Companies (Management and Administration) Rules, 2014 is attached to this Report as **Annexure I** and is also placed on the website of the Company and can be accessed at www.rmgalloysteel.com.

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**.

The Company's policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.rmgalloysteel.com.

Save and except as disclosed in the financial statements, none of the Directors had any pecuniary relationships or transactions vis-à-vis the Company.

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please refer Note no. 36 for details of transactions with Welspun Steel Ltd, being an entity belonging to the Promoters Group holding more than 10% of shareholding.

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.

RECLASSIFICATION OF PROMOTERS

Reclassification of Saraf Group and Widescreen Holdings Pvt Ltd, constituents of Promoters' Group, as public shareholders was approved by members in their Annual General Meeting held on September 24, 2018 and the same was subsequently approved by the BSE Ltd on May 14, 2019.

PREFERENTIAL ISSUE AND UTILISATION OF FUNDS

During the financial year your company has raised funds 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 (i.e. including securities premium of Rs.6 per equity share) and Rs.104.50 Crore by way of Redeemable Preference Shares.

Particulars	Amount (Rs.)
Funds Raised:	
Preference Shares (net adjusted after partial redemption)	
i. April 2018	357,920,000
ii. September 2018	802,500,000
iii. March 2019	242,500,000
Equity Shares & Warrants (May 2018)	3,692,079,888
Total Funds raised	5,094,999,888
Utilisation:	
Retirement of Long term loan	3,160,209,327
Capex Till March 2019	871,406,445
Used for General Corporate Purpose / Working capital purpose (some part of which would be utilised for Capex going forward)	1,063,384,116
Total Utilisation	5,094,999,888

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 states that comments under Emphasis of Matters read together with notes to accounts are self explanatory and therefore do not call for explanation.

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

● Cost Auditors:

The Company has made and maintained cost records 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 2019-20. The Secretarial Audit Report issued by M/s. Mihen Halani & Associates for FY 2018-19 is annexed herewith as **Annexure III** to this Report.

As regards observations of the Secretarial Audit Report, Note 1 in respect of compliance with Regulation 40 of SEBI (LODR) Regulations, 2015, we submit that the Company has decided to send subsequent reminders along with any communication that will be sent to the shareholders, to save on cost involved, considering the financial stress on the Company. In respect of Note 2, the redemption proceeds of preference shares was instantaneously utilized for allotment of equity shares and there was no actual payment to preference shareholders, the Company has informed the stock exchange about allotment of equity shares out of such constructive redemption of preference shares. Whereas Note 3 is self explanatory and requires no comments, in respect of Note 4 we submit that the Company has been scouting for apprentices, but due to remoteness of plant location, adequate suitable candidates did not come forward, nevertheless, the Company continues its efforts to ensure compliance.

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.

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.**

- > Re-calibration and overhaul of Arc Furnace regulation system: Power optimisation.
- > Automation of rolling mill Reheating furnace: Significant fuel optimisation.
- > VVF drive system installed in Fume Extraction system: Optimised power consumption.
- > Switch over to Screw Compressor from reciprocating compressor: Optimised power consumption.
- > Replacement of certain high time use conventional lights with LED lights.
- > Redesigning of rolling mill roll passes to reduce the number of passes and hence improved productivity and fuel/power consumption.

B. Technology Absorption:

- > Installation of AOD (Argon Oxygen De-carburisation) technology and commenced making Stainless Steel products keeping downstream plant same.
- > Automation of walking beam reheat furnace of rolling mill for uniform heating, better soaking, lesser scale loss, enhanced reliability, better productivity etc.
- > Conversion of existing Extrusion press from low value carbon steel pipe product to high value SS pipes / tubes products.

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C. Foreign exchange earnings and outgo

- > Foreign exchange earned in terms of actual inflows during the year:
FOB Value of exports Rs.220 Lakhs (Rs.66 Lakhs)
- > Foreign exchange outgo during the year in terms of actual outflows:
Imports on CIF Basis/expenditure in foreign currency Rs.1, 604 lakhs (Rs. 132 Lakhs)

CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this Report as **Annexure IV**. 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 V**. Management Discussion and Analysis Statement is separately given in the Annual Report as **Annexure VII**.

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.

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 relevant to your Company.

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.

PROHIBITION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has complied with the provisions relating to constitution of Internal Complaint Committee ('ICC') under Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act 2013. The ICC comprises of internal as well as external members.

Disclosure of number of complaints filed, disposed of and pending in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 as on the end of the financial year under Report are as under:

- > number of complaints filed during the financial year - Nil
- > number of complaints disposed of during the financial year – Not applicable
- > number of complaints pending as on end of the financial year - Nil

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, 2019, 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.

MISCELLANEOUS

The Board of Directors affirms that the Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Companies Secretaries of India and that such systems are adequate and operating effectively. The Company has complied with the applicable Secretarial Standards.

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

Anuj Burakia
Whole Time Director
DIN: 02840211

Prakash Tatia
Director
DIN: 06559106

Place: Mumbai
Date: 15.05.2019

Annexure I

Form No. MGT – 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[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 vinod.y@bigshareonline.com Tele. No.: +910226263 8200 /22 / 23 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 31.03.2019

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)	—	—	—	—	—	—	—	—	—
d)	Bodies Corp.	94116875	—	94116875	86.80	193624895	—	193624895	55.85	(30.95)
e)	Banks/FI	—	—	—	—	—	—	—	—	—
f)	Any other... (Trust)	355	—	355	0.00	355	—	355	0.00	0.00
	Total	94118859	—	94118859	86.80	193626879	—	193626879	55.85	(30.95)
	SUB TOTAL:(A) (1)	94118859	—	94118859	86.80	193626879	—	193626879	55.85	(30.95)
(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	193626879	—	193626879	55.85	(30.95)
B.	PUBLIC SHAREHOLDING									
(1)	Institutions									
a)	Mutual Funds	50	16730	16780	0.02	50	16730	16780	0.00	(0.02)
b)	Banks/FI	10	130	140	0.00	10	120	130	0.00	0.00
c)	Central govt	—	—	—	—	—	—	—	—	—
d)	State Govt.(s)	—	—	—	—	—	—	—	—	—
e)	Venture Capital Funds	—	—	—	—	—	—	—	—	—
f)	Insurance Companies	—	—	—	—	—	—	—	—	—
g)	FIIS	21	23740	23761	0.02	21	23740	23761	0.01	(0.01)
h)	Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i)	Others (specify)	—	—	—	—	—	—	—	—	—
	SUB TOTAL (B)(1)	81	40600	40681	0.04	81	40590	40671	0.01	(0.03)
(2)	Non - Institutions									
a)	Bodies Corp.									
i)	Indian	1998843	31350	2030193	1.87	16624266	31350	16655616	4.80	2.93
ii)	Overseas	—	—	—	—	—	—	—	—	—
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs.2 lakh	5792280	920158	6712438	6.19	9634728	906788	10541516	3.04	(3.15)
ii)	Individuals shareholders holding nominal share capital in excess of Rs. 2 lakh	3333380	—	3333380	3.07	121590939	—	121590939	35.07	32.00
c)	Others (specify)									
i)	Clearing Member	292232	—	292232	0.27	1133690	—	1133690	0.33	0.06
ii)	NRI	786947	30	786977	0.73	2984133	30	2984163	0.86	0.13
iii)	Trust	1000000	—	1000000	0.92	—	—	—	—	(0.92)
iv)	Unclaimed Suspense Account	121080	—	121080	0.11	120690	—	120690	0.03	(0.08)
	SUB TOTAL (B)(2)	13324762	951538	14276300	13.16	152088446	938168	153026614	44.14	30.98
	Total Public Shareholding (B)=(B)(1)+(B)(2)	13324843	992138	14316981	13.20	152088527	978758	153067285	44.15	30.95
C.	Shares held by Custodian for GDRs & ADRs									
	Grand Total (A+B+C)	107443702	992138	108435840	100	345715406	978758	346694164	100	0.00

RMG ALLOY STEEL LIMITED

ii. Shareholding of Promoters and Change in Promoters' shareholding

Sl. No	Shareholder's name	Shareholding as on 31.03.2018			Shareholding as on 31.03.2019			% 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	1960520	0.57	0.00	(1.24)
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	2313600	0.67	0.00	(1.46)
4	*K K Fincorp Limited (Formerly known as Kuber Kamal Industrial Investments Ltd)	2,313,617	2.13	0.00	2313617	0.67	0.00	(1.46)
5	*Calplus Trading Pvt Ltd	6,114,390	5.64	0.00	6114390	1.76	0.00	(3.88)
6	*Magnificent Trading Pvt Ltd	7,012,334	6.47	0.00	7012334	2.02	0.00	(4.45)
7	*Remi Finance and Investment Pvt. Ltd.	2,460,000	2.27	0.00	2460000	0.71	0.00	(1.56)
8	*Vishwakarma Jobworks Limited	2,556,545	2.36	0.00	2556545	0.74	0.00	(1.62)
9	*Vayudoot Trading Limited	1,995,492	1.84	0.00	1995492	0.58	0.00	(1.26)
10	*Widescreen Holdings Pvt. Ltd.	24,143,333	22.27	0.00	11351353	3.27	0.00	(19.00)
11	Welspun Steel Ltd	43,247,034	39.88	0.00	155547034	44.87	66.87	4.99
	Grand total	94,118,859	86.80	0.00	193626879	55.85	53.72	(30.95)

* reclassified as public shareholders pursuant to approval by shareholders in Annual General Meeting held on September 24, 2018 and by BSE Ltd on May 14, 2019.

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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	DILIPKUMAR LAKHI	0	0.00	31-Mar-18	0	0	0.00				
				17-Aug-18	86500000	86,500,000	24.95				
				30-Mar-19	0	86,500,000	24.95				
2	WIDESCREEEN HOLDINGS PVT LTD	24,143,333	22.27	31-Mar-18	0	24,143,333	6.96				
				19-Apr-18	-12791980	11,351,353	3.27				
				30-Mar-19	0	11,351,353	3.27				
3	PANKAJ JAWAHARLAL RAZDAN	0	0	31-Mar-18	0	0	0.00				
				17-Aug-18	12500000	12,500,000	3.61				
				30-Mar-19	0	12,500,000	3.61				
4	WINRO COMMERCIAL (INDIA) LTD	0	0	31-Mar-18	0	0	0.00				
				17-Aug-18	7916666	7,916,666	2.28				
				30-Mar-19	0	7,916,666	2.28				
5	RITESH DESHMUKH	0	0	31-Mar-18	0	0	0.00				
				17-Aug-18	2500000	2,500,000	0.72				
				30-Mar-19	0	2,500,000	0.72				
6	AGELESS CAPITAL AND FINANCE PRIVATE LIMITED	0	0	31-Mar-18	0	0	0.00				
				19-Apr-18	380000	380,000	0.11				
				4-May-18	-61506	318,494	0.09				
				8-May-18	-95767	222,727	0.06				
				11-May-18	-37727	185,000	0.05				
				20-Jul-18	195000	380,000	0.11				
				17-Aug-18	2083333	2,463,333	0.71				
				30-Mar-19	0	2,463,333	0.71				
				7	STRESSED ASSETS STABILIZATION FUND	1,000,000	0.92	31-Mar-18	0	1,000,000	0.29
								27-Jul-18	-1000	999,000	0.29
3-Aug-18	-40000	959,000	0.28								
7-Aug-18	-959000	0	0.00								
10-Aug-18	750000	750,000	0.22								
17-Aug-18	-32000	718,000	0.21								
24-Aug-18	-19074	698,926	0.20								
31-Aug-18	-84591	614,335	0.18								
7-Sep-18	-132556	481,779	0.14								
14-Sep-18	-240000	241,779	0.07								
17-Sep-18	-50000	191,779	0.06								
18-Sep-18	-20000	171,779	0.05								
21-Sep-18	-45000	126,779	0.04								
28-Sep-18	-16549	110,230	0.03								
5-Oct-18	-20000	90,230	0.03								
12-Oct-18	-59877	30,353	0.01								
19-Oct-18	-25000	5,353	0.00								
2-Nov-18	-5353	0	0.00								
30-Mar-19	0	0	0.00								
8	SHAUNAK JAGDISH SHAH	617,314	0.57	31-Mar-18	0	617,314	0.18				
				6-Apr-18	830	618,144	0.18				
				27-Apr-18	14700	632,844	0.18				
				7-Aug-18	-632844	0	0.00				
				10-Aug-18	632844	632,844	0.18				
				30-Mar-19	0	632,844	0.18				
9	RAJESH KUMAR SOMANI	500,000	0.46	31-Mar-18	0	500,000	0.14				
				19-Apr-18	30000	530,000	0.15				
				30-Mar-19	0	530,000	0.15				
10	HANUMAN FREIGHT AND CARRIERS PRIVATE LIMITED	500,000	0.46	31-Mar-18	0	500,000	0.14				
				7-Aug-18	-500000	0	0.00				
				10-Aug-18	500000	500,000	0.14				
				30-Mar-19	0	500,000	0.14				

Note: Top ten shareholders of the company as on March 31, 2019 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)	—	—	200,000	200,000	0.06
4	Mr. Hanuman Kanodia#	500	0.00	—	—	—
5	Ms. Amita Karia	—	—	—	—	—
6	Mr. Aneel Lasod #	—	—	—	—	—
7	Mr. Balkrishan Goenka*	—	—	—	—	—
8	Mr. Prakash Tatia**	—	—	383,333	383,333	0.11
9	Mr. Myneni Narayana Rao**	7789	0.00	—	7789	0.00
KMP						
1	Mr. Narendra Kumar Bhandari	—	—	—	—	—
2	Mr. Nilesh Javker #	—	—	—	—	—
3	Ms. Rashmi Mamtura*	12	0.00	—	12	0.00

ceased to be director/ KMP of the Company w.e.f. August 6, 2018

* Appointed as director/ KMP w.e.f. August 6, 2018

** Appointed as director w.e.f. August 28, 2018

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	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
Change in indebtedness during the financial year.				
* Addition	-	-	-	-
* Reduction	(25,588)	-	-	(25,588)
* Change in Interest due but not paid	(1,927)	367	-	(1,560)
* Change in Interest accrued but not due	-	(235)	-	(235)
Net change	(27,515)	132	-	(27,383)
Indebtedness at the end of the financial year				
i. Principal Amount	2,816	-	-	2,816
ii. Interest due but not paid	-	367	-	367
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,816	367	-	3,183

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	M. Narayana Rao	
1	Independent Directors Fee for attending Board & Committee meetings Commission Others	128,000 - -	208,000 - -	53,000 - -	71,000 - -	460,000
	Total (1)	128,000	208,000	53,000	71,000	460,000
Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Balkrishan Goenka	Hanuman Kanodia	Aneel Lasod	Prakash Tatia	
2	Other Non-Executive Directors Fee for attending Board & Committee meetings Commission Others	- - -	20,000 - -	20,000 - -	- - -	40,000
	Total (2)	-	20,000	20,000	-	40,000
	Total (B) = (1 + 2)	500,000				
	Total Managerial Remuneration	NIL				
	Overall Ceiling as per the Act.	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.				

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) upto 06.08.2018	Rashmi Mamtura (CS) w.e.f. 06.08.2018	
1	Gross Salary				
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	6,00,000	60,000	1,20,000	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	-	-	-	-
5	Others	-	-	-	-
	Total	6,00,000	60,000	1,20,000	7,80,000

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL

For and on behalf of the Board of Directors

sd/-
Anuj Burakia
Whole Time Director
DIN: 02840211

sd/-
Prakash Tatia
Director
DIN: 06559106

Place: Mumbai
Date: 15.05.2019

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 – 01.04.2018 to 31.03.2019
 - 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.12,645 lakh during the period from 01.04.2018 to 31.03.2019 are at a market price and on Arm's length basis.
 - Sale of finished goods of Rs.964 lakh to Welspun Steel Ltd during the period from 01.04.2018 to 31.03.2019 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 13, 2018 approved the said transactions;
 - f. Amount paid as advances: Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anuj Burakia
Whole Time Director
DIN: 02840211

Prakash Tatia
Director
DIN: 06559106

Place: Mumbai
Date: 15.05.2019

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Annexure III

FORM MR-3 SECRETARIAL AUDIT REPORT

for the Financial Year ended 31st March, 2019

[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, 2019 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, 2018/1996 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, 2018/2009;
 - d) The Securities And Exchange Board Of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable during the period under review.**
 - 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; **Not Applicable during the period under review.** and
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable during the period under review.**
- 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.
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

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company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the year;

- Pursuant to amendment to regulation 40 of SEBI (LODR) Regulations, 2015 vide circular no LIST/COMP/15/2018-19 dated 5th July, 2018, the company has sent only initial reminders to shareholders holding shares in physical mode.
- The Company has not given disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015 for Redemption of Preference Shares.
- The Company is yet to obtain approval of shareholders for material related party transactions as required under Regulation 23(4) of the SEBI (LODR) Regulations, 2015.
- As per statutory requirement, the company is required to hire 23 apprentices (i.e. 2.5% of present strength of employees and contract workers). While the company has employed only 7 apprentice and is in the process of hiring further 25 apprentice in the ensuing financial year and thereby becoming compliant.

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

- The Company has issued and allotted 160,592,000 (Sixteen Crore Five Lakh Ninety Two Thousand) 6.5% Redeemable Preference Shares of Rs. 10/- each at par on preferential basis on 28.04.2018;
- The Company has issued and allotted 238,258,324 (Twenty Three Crore Eighty Two Lakh Fifty Eight Thousand Three Hundred and Twenty Four) Equity Shares of Rs. 6/- each at a premium of Rs. 6 per share and 69,415,000 (Six Crore Ninety Four Lakh Fifteen Thousand) warrants of Rs.6/- each carrying option to subscribe (in the ratio of one equity share for one warrant) to 69,415,000 equity shares of Rs.6/- each fully paid up of the Company on preferential basis on 29.05.2018;
- The Company has issued and allotted 80,250,000 (Eight Crore Two Lakh Fifty Thousand) Redeemable Preference Shares of Rs. 10 each at par on preferential basis on 26.09.2018;
- The Company has issued and allotted 24,250,000 (Two Crore Forty Two Lakh Fifty Thousand) Redeemable Preference Shares of Rs. 10 each at par on preferential basis on 13.03.2019.
- The Company has reclassified the holding of Saraf Group from the promoter category to the public category. However, approval for said reclassification is pending as on the closure of financial year 31.03.2019.

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: 15.05.2019
Place: Mumbai

Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" herewith and forms as integral part of this report.

Annexure 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: 15.05.2019
Place: Mumbai

Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

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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 2019 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	0	Yes	8/8	7	0	0	8
2	Mr. Anuj Burakia	E	200000	No	8/8	2	1	0	2
3	Mr. M. Narayana Rao	I	7789	No	2/4	3	0	0	2
4	Mr. Prakash Tatia	NE	428213	No	4/4	2	0	0	1
5	Mr. Balkrishan Goenka	P, C, NE	0	No	6/6	10	1	2	2
6	Ms. Amita Karia	I, W	0	No	6/8	4	0	1	4

@ 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 2018-19, the Board of Directors met Eight times on the following dates: 14.04.2018, 23.05.2018, 06.08.2018, 28.08.2018, 13.11.2018, 20.12.2018, 02.01.2019 and 05.02.2019.

In addition to the above, a meeting of the Independent Directors was held on March 14, 2019 pursuant to Section 149(8) read with Schedule V to the Companies Act, 2013 and Regulation 25(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said meeting was attended by Mr. Atul Desai, Mr. Myneni Narayana Rao and Ms. Amita Karia.

It is confirmed that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. Further, there is no relationship between the directors inter-se.

The Board has identified skills/expertise/competence required in the context of its business(es) and sector(s) for the Board to function effectively viz. technical- manufacturing process, marketing and sales, finance, strategy, legal and compliance, research & development and human resource management.

The names of the listed entities where the person is a director and the category of directorship and matrix of the skills/expertise/competence identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board and directors who have such skills

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/ expertise / competence. Details of current members of the Board is given below:

Name of the Director(s)	Core Skills/expertise/ competence	Names of the listed entities where the person is a director	Category of Directorship	Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure (as applicable)
1 Mr. Balkrishan Goenka	Leading figure in textile and steel industry, Business Management, Strategy, human resources management	Welspun India Limited, Welspun Enterprises Limited and Welspun Corp Limited	Non-Independent	N.A.
2 Mr. Atul Desai	Legal- Litigation, Arbitration	AYM Syntex (Formerly known as Welspun Syntex Limited), JSW Holdings Limited, Welspun Corp Limited, Welspun Investments and Commercials Limited, TCFC Finance Limited	Independent	N.A.
3 Mr. Prakash Tatia	Steel Industry- Marketing & Sales	-	Non-Independent	N.A.
4 Mr. Anuj Burakia	Steel and Steel Pipe Industry and Business Management, Strategy, finance	-	Non-Independent	N.A.
5 Mr. M. Narayana Rao	Renound Metallurgist, alloy steel and Business Management, technical – manufacturing process, research & development	Avantel Limited	Independent	N.A.
6 Ms. Amita Karia	Corporate Laws, Corporate Governance and Compliance	Tree House Education & Accessories Limited	Independent	N.A.

The independent director who resigned, has confirmed that that there is no other material reason other than those provided in the resignation letter submitted to the Company.

- 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, 2019):

The Audit Committee consists of the following 4 Non-Executive Directors as on 31.03.2019.

Mr. Atul Desai	Chairman (Independent)
Mr. M. Narayana Rao	Member (Independent)
Ms. Amita Karia	Member (Independent)
Mr. Anuj Burakia	Member (Non- Independent)

The Company Secretary of the Company, Ms. Rashmi Mamtura 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, 23.05.2018, 06.08.2018, 13.11.2018 and 05.02.2019. The details of Attendance of Members of Audit Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2018 to 31/03/2019)
1	Mr. Atul Desai	Chairman	4/4
2	Mr. M. Narayana Rao (w.e.f. 13.11.2018)	Member	2/2
3	Ms. Amita Karia	Member	3/4
4	Mr. Anuj Burakia (w.e.f. 28.08.2018)	Member	2/2
5	Mr. Ashok Jain (upto 06.08.2018)	Member	1/1

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

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4. NOMINATION AND REMUNERATION COMMITTEE

Terms of Reference

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

Composition (as on March 31, 2019) and attendance during the year:

The Committee comprises of 3 independent and 1 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 (01/04/2018 to 31/03/2019)
1	Mr. Atul Desai	Chairman (w.e.f. 28.08.2018)	6/6
2	Ms. Amita Karia	Member	5/6
3	Mr. B. K. Goenka (w.e.f. 28.08.2018)	Member	2/2
4	Mr. M. Narayana Rao (w.e.f. 13.11.2018)	Member	2/2
5	Mr. Ashok Jain (upto 06.08.2018)	Chairman	2/2

The Company had constituted the Nomination and Remuneration Committee consisting of nonexecutive directors majority of which are independent directors. During the year under review, six meetings of the Committee were held on 14.04.2018, 23.05.2018, 06.08.2018, 28.08.2018, 13.11.2018 and 05.02.2019.

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:

None of recommendations made by the Nomination and Remuneration Committee were rejected by the Board.

The salient features of the Nomination and Remuneration Policy ("policy") are as under:

> Appointment of Directors:

* The Committee identifies the person who qualifies to become directors and who may be appointed in senior management in accordance with the criteria as mentioned in the policy.

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

* 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 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 shareholders.

* The Non- Executive Directors including independent directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

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.

The Policy is available on your Company's website at: www.rmgalloysteel.com

5. REMUNERATION OF DIRECTORS:

> Remuneration to Whole time Director:

Details pursuant to Schedule V of the Companies Act, 2013 and 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, 2018 to July 28, 2021
4.	Notice Period	1 month
5.	Severance Fees	1 month compensation in lieu of notice period
6.	Stock Options	835,000*
7.	Exercise Price	Nil

* Please refer to the section of Directors' Report dealing with RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018 for further details.

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> Remuneration to Non-Executive Directors:

Payments made to Non-Executive Directors during the period ended March 31, 2019 are as follows:

Sr. No.	Particulars of Remuneration	Name of Directors				Total amount
		Amita Karia	Atul Desai	Ashok Jain	M. Narayana Rao	
1	Independent Directors					
	Fee for attending Board & Committee meetings	128,000	208,000	53,000	71,000	460,000
	Commission	-	-	-	-	
	Others	-	-	-	-	
	Total (1)	128,000	208,000	53,000	71,000	460,000

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Balkrishan Goenka	Hanuman Kanodia	Aneel Lasod	Prakash Tatia	
2	Other Non-Executive Directors					
	Fee for attending Board & Committee meetings	-	20,000	20,000	-	40,000
	Commission	-	-	-	-	
	Others	-	-	-	-	
	Total (2)	-	20,000	20,000	-	40,000
	Total (B) = (1 + 2)			500,000		

6. 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.

7. 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) Composition (as on March 31, 2019) and details of attendance of members of the Committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2018 to 31/03/2019)
1.	Mr. Atul Desai (Non Executive)	Chairman	4/4
2.	Mr. Anuj Burakia (Executive) (w.e.f. 28.08.2018)	Member	3/3
3.	Ms. Amita Karia (Non Executive) (w.e.f. 28.08.2018)	Member	3/3
4.	Mr. Ashok Jain (Non Executive) (upto 06.08.2018)	Member	1/1

b) Name and designation of compliance officer: Ms. Rashmi Mamtura

c) No. of meetings held:

Four meetings of Stakeholders Relationship Committee were held, viz, 23.05.2018, 28.08.2018, 13.11.2018 and 05.02.2019.

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

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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	BSE Complaint	1
2	Legal Cases / Court Cases	1
3	Non Receipt Of Demat Rejection Documents	4
4	Non Receipt Of exchange Share Certificate	1
5	SEBI	2
	Total Complaints Received	9

All the complaints/ requests received during the year under report were resolved within the time limit to the satisfaction of the investors/ shareholders and One complaint was pending as on 31st March 2019.

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

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
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 ii. To issue and allot upto 3,00,00,000 12% Redeemable Preference shares of Rs.10 each aggregating to Rs.30,00,00,000/- (Rupees Thirty Crore Only) in one or more tranches to the Promoter/Co-promoter/Strategic Investor/associate companies of promoter/ co-promoter/ Strategic Investor
27.03.2018	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	i. For issue and allotment of 37,50,00,000 securities to promoters and investors and conversion of 3,00,00,000 12% Redeemable Cumulative Preference Shares of Rs.10 each fully paid up into equity shares 3,00,00,000 Redeemable Preference Shares of Rs.10 each. ii. Approval of RMG Alloy Steel Limited - Employees Stock Option Plan 2018 to create, offer and grant from time to time 1,20,00,000 (One Crore Twenty Lakhs) Options, each Option giving the right but not obligation to the holder to opt for one fully paid-up Equity Share in the Company of face value of Rs 6/- each fully paid up at the exercise price being the price at 20% discount to the closing market price on BSE on the day preceding the date of grant of Option, in one or more tranches, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the RMG ESOP SCHEME 2018 and in due compliance with the applicable laws and regulations in force
15.05.2018	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	i. For issue and allotment of 238,258,324 equity shares of Rs.6/- each fully paid up and 69,415,000 warrants carrying option to subscribe (in the ratio of 1:1) at a minimum price of Rs.12/- per equity. ii. Approval of modification of RMG Alloy Steel Limited – Employees Stock Option Plan 2018 in respect of number of options to reduce from 1,20,00,000 (One Crore Twenty Lakhs) options to 1,00,00,000 (One Crore Lakhs) options at a discount of 30%.

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				iii. Approval of RMG Alloy Steel Limited – Employees Stock Option (Senior Management Personnel) Scheme 2018 to create, offer and grant from time to time 20,00,000 (Twenty Lakhs) Options, each Option giving the right but not obligation to the holder to opt for one fully paid-up Equity Share in the Company of face value of Rs 6/- each fully paid up at Nil exercise price, in one or more tranches, and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the RMG ESOP (SMP) SCHEME 2018 and in due compliance with the applicable laws and regulations in force
24.09.2018	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	<p>i. Re-appointment of Mr. Anuj Burakia as Whole Time Director for 3 years w.e.f. July 29, 2018</p> <p>ii. Authority to borrow within a limit of Rs.300 Crore pursuant to Section 180(1)(c) of the Act.</p> <p>iii. Authority to create encumbrance on the assets of the Company, to secure borrowings, within a limit of Rs.300 Crore pursuant to Section 180(1)(a) of the Act.</p> <p>iv. Authority to secured/ unsecured, redeemable, Non-Convertible Debentures (NCDs) on Private Placement basis, in domestic and/or international market, aggregating up to an amount not exceeding Rs. 300 crores (Rupees Three Hundred crores only) within the limit approved pursuant to Section 180(1)(c) of the Act.</p> <p>v. Declassification of Saraf Group viz. Mr. Rajendra Saraf and others as public shareholders pursuant to Regulation 31A of the SEBI (LODR) Regulations.</p> <p>vi. Declassification of Widescreen Holdings Private Limited as public shareholder pursuant to Regulation 31A of the SEBI (LODR) Regulations</p>
31.01.2019	Extra Ordinary General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 PM	<p>i. For issue and allotment of 24,250,000 Redeemable Preference shares of Rs.10/- each aggregating to Rs.242,500,000/- (Rupees Twenty Four Crore Twenty Five Lakh Only).</p> <p>ii. For issue and allotment of upto 38,974,352 equity shares of Rs.6/- each fully paid up and upto 33,287,177 warrants carrying option to subscribe (in the ratio of one equity share for one warrant) to 33,287,177 equity shares of Rs.6/- each fully paid up of the Company, to the proposed allottees respectively named in the table given below at a price of Rs.23.40/- per equity share.</p> <p>iii. Approval to create, offer, issue and allot such number of equity shares of Rs.6/- fully paid up as may be required to be issued and allotted upon exercise of an option, to convert, as a term attached to the debentures issued or loan raised by the company shares of the company, at such price and on such terms and conditions as may be agreed to by the Board of Directors</p>

(ii) No special resolution was passed last year through postal ballot.

(iii) No special resolution is proposed to be conducted through postal ballot

9. MEANS OF COMMUNICATION

Quarterly results and newspapers wherein results normally published:

The Board of Directors of the Company approved the audited financial results for the year ended 31.03.2019, unaudited financial results for quarter ended 30.06.2018, 30.09.2018 and 31.12.2018 in their quarterly meetings and the same were normally published in Financial Express (English+Gujarati), Ahmedabad edition within 48 hours from the date of Board meetings.

The said financial results were also displayed on the website of the company at www.rmgalloysteel.com

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10. GENERAL SHAREHOLDER INFORMATION:

The next Annual General Meeting shall be held at –

- (i) Day and Date Friday, July 26, 2019
 Venue Plot no. 1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat 393110
 Time 9.00 A.M.
- (ii) Financial year from 1st April 2018 to 31st March 2019
- (iii) Record Date Friday, July 19, 2019
- (iv) Dividend payment date: No dividend has been declared for the financial year 2018-19.
- (v) Listing on Stock Exchanges and Stock code

The securities of the Company are listed on the BSE Limited (Scrip code – 500365) (ISIN: INE731F01037)

The Company has paid listing fee to the Bombay Stock Exchange Limited.

- (vi) Market Price Data High Low Quotations during each month in last financial year i.e from 1st April 2018 to 31st March 2019 and performance in comparison to broad based indices such as BSE SENSEX is as follows:

Month	Market Price		Sensex	
	High	Low	High	Low
Apr 18	19.24	12.93	35213.3	32972.56
May 18	24.3	16.95	35993.53	34302.89
Jun 18	27	19.95	35877.41	34784.68
Jul 18	22.25	17.85	37644.59	35106.57
Aug 18	25.55	20	38989.65	37128.99
Sep 18	33.95	22.55	38934.35	35985.63
Oct 18	29.15	21.5	36616.64	33291.58
Nov 18	27.35	22.05	36389.22	34303.38
Dec 18	23.95	17.5	36554.99	34426.29
Jan 19	23.2	18.3	36701.03	35375.51
Feb 19	21.35	16.8	37172.18	35287.16
Mar 19	18.4	14	38748.54	35926.94

- (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. Jibu John, DGM (Department General Manager) / Mr. Vinod Yadav, Client Executive

Tel: 91226263 8200/ 22/ 23

Fax: 91226263 8261

Email: vinod.y@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. However, upon notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 dated June 8, 2018, no shares shall be transferred in physical mode.

- (ix) Distribution of shareholding of equity shares as on March 31, 2019 is as follows:

Shareholding of nominal value Rs.		Total Holders		Amount	
		in Nos.	% of Total	in Rs.	% of Total
1	5000	78153	97.3263	14413584	0.6929
5001	10000	806	1.0037	5347092	0.2571
10001	20000	460	0.5729	6465744	0.3108
20001	30000	265	0.3300	7213230	0.3468
30001	40000	81	0.1009	2832504	0.1362
40001	50000	44	0.0548	1951152	0.0938
50001	100000	186	0.2316	12717900	0.6114
100001 and above		305	0.3798	2029223778	97.5511
Total :		80300	100.0000	2080164984	100.0000

RMG ALLOY STEEL LIMITED

- (x) Dematerialisation of shares and liquidity: 345,715,406 equity shares constituting 99.72% of the outstanding equity shares are in demat form as on 31.03.2019 and have reasonable liquidity on the BSE Limited.
- (xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and impact on equity: 69,415,000 warrants, having option to convert into equal number of equity shares, were outstanding on 31.03.2019 and converted into 69,415,000 on 09.04.2019.
- (xii) Disclosure of commodity price risks and commodity hedging activities.

Detail of commodity price risks and commodity hedging activities as required under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Risk management policy of the listed entity with respect to commodities including through hedging: The Company proactively manages price fluctuation risks and in case of input steel, it uses forward booking, inventory management and pre-emptive vendor development practices.
- Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
 - a. Total exposure of the listed entity to commodities is Rs.28,065.88 Lacs.
 - b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Scrap	14,211.44	50,253	-	-	-	-	-
DRI	8,666.25	37,789	-	-	-	-	-
Ferro Alloys	5,188.19	3,376	-	-	-	-	-

- Commodity risks faced by the listed entity during the year and how they have been managed.

Above inputs i.e steel scrap and DRI (our key raw material) are only used for steel making purpose, hence having good, co-relation factor. In other words price movement of these inputs v/s our final steel products moves in same tandem, with some time lag is possible. Accordingly, to good extent, indirect natural hedging takes place. In addition, our final products are produced against the order from buyer / OEM, wherein we have understanding that any increase or decrease in above key inputs will be taken care in the product price on periodical basis, which, presently is 6 month basis.

Also refer to the Management Discussion and Analysis forming part of this Annual 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
- (xvii) Credit Ratings by India Ratings & Research (Fitch Group)
- a. For term loans and fund based working capital limits: IND BBB-
 - b. For non-fund based working capital limits: IND A3

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/corporate-policy/other-policies/RPT%20Policy%20Revised._15.05.2019.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:

- 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.
- Please refer Annexure II (Secretarial Audit Report) for the details of non compliance during FY 2018-19.

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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/corporate-policy/other-policies/Whistle-Blower-Policy-and-Vigil-Mechanism-for-Directors-and-Employees-to-Report-Genuine-Concerns.pdf>

iv. Utilization of funds: this matter has been discussed at length in the Directors' Report.

v. a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is enclosed herewith as Annexure VI.

vi. Fees paid to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:

Particulars	Amount (Rs.)
Paid to Statutory Auditors	
Statutory Audit	7.5 Lakh
Income Tax Audit	1.5 Lakh
Certification Fees	1 Lakh
To other entities in the same network	Nil
Total	10 Lakh

vii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

* number of complaints filed during the financial year : Nil

* number of complaints disposed of during the financial year : Nil

* number of complaints pending as on end of the financial year : Nil

viii. 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.

ix. 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.

x. 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/corporate-policy/other-policies/4\)%20CODE%20OF%20CONDUCT%20FOR%20THE%20BOARD%20OF%20DIRECTORS%20AND%20SR_FORMAT%20CHANGE.pdf](http://www.rmgalloysteel.com/images/corporate-policy/other-policies/4)%20CODE%20OF%20CONDUCT%20FOR%20THE%20BOARD%20OF%20DIRECTORS%20AND%20SR_FORMAT%20CHANGE.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 2018-19.

Sd/
Anuj Burakia
Whole Time Director"

xi. 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
121080	7418	390	7	390	7	120690	7411

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

Annexure V

Certificate of Practicing Company Secretary on Corporate Governance Report

TO
The Members of **RMG Alloy Steel Limited**
CIN: L27100GJ1980PLC020358

We have examined the compliance of conditions of Corporate Governance by **RMG Alloy Steel Limited**, for the year ended on 31st March, 2019, 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 2019, the Registrar and Transfer Agent of the Company have certified that as at 31st March, 2019, there were no investors' grievances remaining unattended/ pending for satisfaction.

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

Place: Mumbai
Date: 15.05.2019

Sd/-
Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

Annexure VI

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of **RMG Alloy Steel Limited**
CIN: L27100GJ1980PLC020358

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of RMG Alloy Steel Limited having CIN L27100GJ1980PLC020358 and having registered office at Plot No. 1, GIDC Industrial Estate, Valia Road, Jhagadia Dist, Bharuch – 392 001, Gujarat (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other Statutory Authority.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MIHEN HALANI & ASSOCIATES
Practicing Company Secretary

Place: Mumbai
Date: 15.05.2019

Sd/-
Mihen Halani
(Proprietor)
CP No: 12015
FCS No: 9926

Annexure VII

MANAGEMENT AND DISCUSSION ANALYSIS

A. INDIAN INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT

Overall Steel Sector outlook:

- India achieved record Crude steel production at 106.50 million tons, (up by 4.9 % from C.Y. 2017). It turned net exporter. Moreover, it has surpassed Japan to become the 2nd largest steel producer in the world with 138 million tons of steel making capacity. Since year 2008 India's crude steel production is as given below –

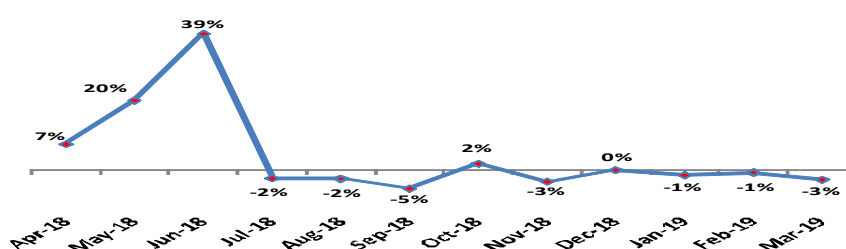
Calendar Year	Million Ton	Calendar Year	Million Ton
2008	58.0	2009	68.5
2010	69.0	2011	73.5
2012	77.3	2013	81.4
2014	87.3	2015	89.0
2016	95.5	2017	101.5
2018	106.5		

- The current pace of growth and capacity creation in the country is in line 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 9-10% 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 28% in FY 19, thanks to the growth in the Stainless Steel sector in FY 19.
- The Alloy Steel sector remained subdued in H2 of FY 19 due to sluggish demand. The second half of the year saw a slowdown in automobile sector globally. This, in turn, resulted in lower demand from forgers.
- Domestic automobile demand got impacted by high insurance costs, rise in fuel prices and liquidity crunch (on account of the NBFC crisis) causing difficulty in financing.

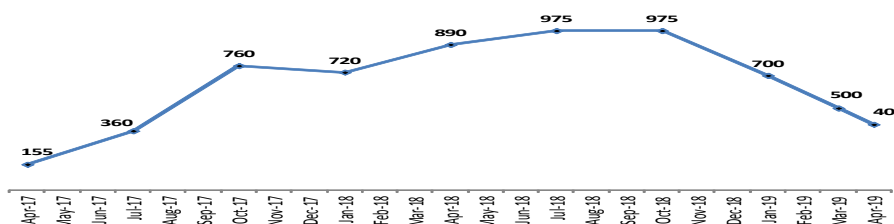
Continuous YoY De-growth in Automobile Production in last 9 months



Source: SIAM

- 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 (mainly graphite electrode & refractories) and higher interest burden whereas the improvement in the selling price was not in line with raw material price trend, due to lower demand mainly in auto sector (main segment for alloy steel producers).

Electrode Prices (Rs. per kg)



- The global trade war between US and China has also lead to dumping of Chinese finished steel in India.

B. OPPORTUNITIES & THREATS

- India's comparatively low per capita steel consumption and the expected rise in consumption with 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 also the backbone of the 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 had come out with National Alloy Steel Policy separately. The vision of this policy is to double the alloy steel making capacity in the country from current capacity of 12 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 persist among the steel industry on the changing dynamics globally wherein nations like USA and EU have adopted protective measures to insulate their industry against import. 25% duty has already been imposed by USA on steel imports and the retaliatory measures taken by EU, China etc. the steel industry / government are 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 of the issues which will continue to remain critical for the overall steel sector which includes alloy steel sector as well.
- With the new government coming into power, strong reform measures are expected in the economy, which is expected to improve steel demand.
- In the near term, the auto sector is expected to be subdued as a quick resolution for the NBFC crisis is difficult to achieve, which could affect steel sector adversely.
- However, electrode prices, have corrected in recent months, which should help reduce input costs.
- For your Company, with the capital repair / overhauling completed, plant performance is expected to improve on account of the increase in operational availability.
- Efforts are being taken towards optimization of cost in all areas of production
- Production of Stainless Steel (SS) is expected to stabilize between Q2FY20 and Q3FY20, which will help garner high end customers and optimise production costs.
- Focus on value added products is expected to improve realisation as well as margins, going forward.

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. RISKS & 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

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- 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.

I. DISCUSSION ON CHANGES IN KEY FINANCIAL RATIOS

Ratio	2017-18	2018-19	Remark / Reasons
(i) Debtors Turnover	2.99	6.07	In FY 2019, the company recorded 81.31% growth in top line. In spite of the significant growth, the focus on collections helped to reduce receivables. This helped in improving the debtors turnover.
(ii) Inventory Turnover	3.85	3.96	During FY 2019, there is a marginal improvement in Inventory Turnover ratio as the focus is to optimizing working capital and improve cash flow.
(iii) Interest Coverage Ratio	(0.16)	(1.13)	During FY 2019, Interest burden of the company has come down significantly but profitability remains negative though improved from previous year.
(iv) Current Ratio	0.71	1.19	In FY 2018, Current Assets excludes Rs.67.10 cr investment and Rs.240.90 crores fixed deposit kept for pre-payment loan / capex etc and current liabilities excludes Rs.200.75 cr received towards share application money (for long term utilisation). In FY 2019, current liabilities excludes Rs.116.04 crores of Current maturities of Preference Shares and Rs.62.47 crores Advance received against share warrant. During FY 2019, the promoter along with other investors has infused funds, which has been utilized for repayment of borrowings, augmentation of working capital and capex for offering new / improved product range etc. Therefore current ratio improved with infusion.
(v) Debt Equity Ratio	(1.17)	(0.32)	Ratio has improved from previous year because of reduction in long term debt from the infused capital. However Networkth still remains negative.
(vi) Operating Profit Margin (%)	-2.48%	-7.61%	The company has undertaken capex project for overhauling and revamping of existing plant and machinery for the better utilization of installed capacity of the machinery which resulted in taking the major maintenance and shutting the plant from time to time during 2018-19 and therefore resulted in lower productivity and higher cost of production.
(vii) Net Profit Margin (%)	-22.70%	-4.62%	Improved bottom line because of reduction in interest cost led to better Net Profit Margin from previous year.
Return on Capital Employed (ROCE) *	-2.55%	-15.13%	The company has undertaken capex project for overhauling and revamping of existing plant and machinery for the better utilization of installed capacity of the machinery which resulted in taking the major maintenance and shutting the plant from time to time during 2018-19 and therefore resulted in lower productivity and higher cost of production. Lower operating profit translated into lower return on capital employed.

* Since the Company's net worth is negative, Return on Capital Employed is given instead of Return on Net Worth

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Anuj Burakia
Whole Time Director
DIN: 02840211

Prakash Tatia
Director
DIN: 06559106

Place: Mumbai
Date: 15.05.2019

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RMG ALLOY STEEL LIMITED

Opinion

We have audited the accompanying Ind AS financial statements of **RMG ALLOY STEEL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019; and its profit and total Comprehensive Income, Change in Equity and its cash flows 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.

Basis for opinion

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
<p>Expected credit loss ("ECL") provision in respect of financial assets carried at amortized cost</p> <p>(refer Note 1 for accounting policy and Note 40 for ECL provision)</p> <p>As detailed in Note 8, the Company has financial assets carried at amortized cost amounting to Rs, 7,832 lacs (gross) as at March 31, 2019. The Company holds ECL provision of Rs. 696 lacs against such assets. As discussed in the said note, ECL provision has been determined in accordance with Ind AS 109 – Financial Instruments.</p> <p>We focused on this area as determining ECL provision requires significant judgements by the management. Key areas of judgement included:</p> <ul style="list-style-type: none"> - Assumptions used in the expected credit loss model such as the financial condition of the counterparty, probability of default, expected future cash flows. - The identification of exposures with a significant deterioration in credit quality. 	<p>We carried out following procedures in respect to ECL provision:</p> <ul style="list-style-type: none"> - held discussions with management and obtained understanding of ECL model, its development process and relevant controls. - evaluated the design and tested operating effectiveness of controls in respect of ECL model, which included data used to determine the provision, appropriate approvals and mathematical accuracy. - with the involvement of our experts, we assessed the assumptions and judgement made by management used to calculate ECL provision. - Traced key inputs to the ECL model on a sample basis to assess their accuracy and completeness. Ensured mathematical accuracy of the ECL provision by performing recalculations. <p>We evaluated ECL provision taking into account the requirements of of Ind AS 109 – Financial Instruments.</p>

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<p>Provisions and contingent liabilities in relation to tax positions</p> <p>Refer note no. 35 of the Ind AS financial statement.</p> <p>The company has received various demands and show cause notices from the service tax and sales tax department in respect of various matters.</p> <p>The management have made judgments relating to the likelihood of an obligation arising and whether there is a need to recognize a provision or disclose a contingent liability. We therefore focused on this area as a result of uncertainty and potential material impact.</p>	<p>We have involved our tax experts to gain an understanding of the current status of the tax cases and monitored changes in the disputes by reading external opinions received by the Company if any, where relevant, to establish that the tax provisions had been appropriately adjusted to reflect the latest external developments.</p> <p>For legal, regulatory and tax matters our procedures included the following:</p> <ul style="list-style-type: none"> * testing key controls surrounding litigation, regulatory and tax procedures; * performing substantive procedures on the underlying calculations supporting the provisions recorded; * where relevant, reading external legal opinions obtained by management; * discussing open matters with the litigation, regulatory, general counsel and tax teams; * assessing management's conclusions through understanding precedents set in similar cases; <p>Based on the evidence obtained, while noting the inherent uncertainty with such legal, regulatory and tax matters, we determined the level of provisioning and disclosure of contingent liabilities as at 31 March 2019 to be appropriate.</p>
<p>Inventories</p> <p>As of 31st March 2019, the Company total inventory balance amounted to RS. 11,758 lakh, representing 53% of the total current assets of the Ind AS Financial Statement.</p> <p>Refer note no. 6 of the Ind AS financial statement.</p> <p>The Company is exposed to risk of slow-moving and/or obsolete inventory as a result of volatility demand for steel and its steel price. Significant judgement is required for the estimation of the net realisable value and allowance for slow-moving and obsolete inventories. Such estimation is made after taking into consideration factors such as movement in steel price, current and expected future market demand and pricing competition.</p>	<p>As such, we determined that this is a key audit matter.</p> <p>As part of our audit, we attended inventory counts at selected inventory locations to observe the condition of the inventories on sample basis. We evaluated the appropriateness of the basis and processes used by management in determining the net realisable value of inventories. We also evaluated the assumptions and estimates used by management in determining the write down amount through testing of the accuracy of inventories aging report, analysing the aging profile of inventories to identify slow and obsolete inventories as well as reviewing historical and subsequent to financial year end sales patterns. In addition, we reviewed the adequacy of the disclosures on inventories in Note 6 of the financial statements.</p>
<p>Capital Work in progress</p> <p>At 31 March 2019 the carrying value of assets under construction was Rs. 8,515 Lakh.</p> <p>Refer note no. 2 of the Ind AS financial statement.</p> <p>Accounting for assets under construction has been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> • the significant judgement involved in assessing when an asset is available for use as intended by management. At this point, revenue and operating costs associated to the asset cease to be capitalised to the statement of financial position and depreciation should commence. <p>Additionally, we considered recent impairment charges recognised in respect of assets under construction which resulted from changes in project plans.</p>	<p>To address this key audit matter we have:</p> <ul style="list-style-type: none"> • Considered the stage of completion of ongoing projects specifically in relation to ascertaining when the assets will be available for use as intended by management. • Assessed project timelines by tracking project progress against forecast spend and management budgets. • Assessed the accounting treatment of testing costs during the testing phase where applicable. • Ensured costs associated with assets which came into production in the year cease to be capitalised and depreciation charges commenced. <p>Based on our evaluation of the asset under construction projects and other procedures performed, we are satisfied that projects overall assets under construction are recoverable.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Director's Report" including Annexures to Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, change in equity and cash flows 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 provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Ind AS financial statements

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

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

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

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Ind AS financial statements may be

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influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A" a statement on the matters specified in 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 change in equity dealt with by this report are in agreement with the 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) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019, from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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 litigations on its financial position in its Ind AS financial statements in note 35 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 for the year ended March 31, 2019.
 - 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: 15th May, 2019

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.
- 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 complied with the provisions of Section 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities. The Company has not granted any loans to any director or any person in whom director is interested as specified under Section 185 of the Companies Act, 2013 and hence clause (iv) of paragraph of the Order is not applicable to the Company to that extent.
- 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, Custom Duty, 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 and Income Tax (Tax deducted at source) where the delay ranged from 1 days to 40 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, 2019 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 Service Tax, as at 31st March, 2019 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	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 Income Tax, Sales Tax including Value Added Tax, Goods and Service Tax (GST), duty of Customs, duty of Excise and 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 defaulted in repayment of loans or borrowings to banks and 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.

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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 Equity Shares and 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: 15th May, 2019

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 with reference to financial statements of **RMG ALLOY STEEL LIMITED** ("the Company") as of 31st March, 2019 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements (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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31st March, 2019, based on the internal control with reference to financial statements 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)

Place: Mumbai
Dated: 15th May, 2019

Vishal D. Shah
Partner
Membership No. 119303

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BALANCE SHEET as at 31st March, 2019

(Rs. In Lacs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
I Non-Current Assets			
(a) Property, plant and equipment	2A	9,966	10,542
(b) Capital Work in Progress	2B	8,515	714
(c) Intangible assets	3	1	-
(d) Income tax assets (net)	4	223	192
(e) Other non-current assets	5	323	247
Total Non-Current Assets		19,028	11,695
II Current Assets			
(a) Inventories	6	11,758	6,504
(b) Financial assets			
(i) Investments	7	-	6,711
(ii) Trade receivables	8	7,136	8,002
(iii) Cash and cash equivalents	9	3	24,258
(iv) Bank Balance Other than Cash and Cash Equivalent	10	1,062	184
(c) Other current assets	11	2,068	699
Total Current Assets		22,027	46,358
TOTAL ASSETS		41,055	58,053
EQUITY AND LIABILITY			
III Equity			
(a) Equity share capital	12	20,802	6,506
(b) Other equity	13	(44,111)	(56,423)
(c) Share Application Money Pending Allotment	13	-	17,335
(d) Money received against share warrant	13	2,082	-
TOTAL EQUITY		(21,227)	(32,582)
IV Non-current liabilities			
(a) Financial liabilities			
Borrowings	14	25,814	48,535
(b) Provisions	15	181	159
Total Non-Current liabilities		25,995	48,694
V Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	16	14,903	27,779
(ii) Trade payables	17		
Total outstanding dues of micro, small and medium enterprise		10	31
Total outstanding dues of creditors other than micro, small and medium enterprise		12,575	7,439
(iii) Other financial liabilities	18	7,383	6,330
(b) Other current liabilities	19	1,346	324
(c) Provisions	20	70	38
Total Current Liabilities		36,287	41,941
TOTAL EQUITY AND LIABILITIES		41,055	58,053
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: 15th May, 2019

For and on behalf of the Board of Directors

Anuj Burakia

Whole time Director

DIN: 02840211

Prakash Tatia

Director

DIN: 06559106

Narendra Kumar Bhandari

Chief Finance Officer

Rashmi Mamtura

Company Secretary

FCS: 8658

RMG ALLOY STEEL LIMITED

STATEMENT OF PROFIT and LOSS for the year ended 31st March, 2019 (Rs. In Lacs)

Particulars	Notes	For the Year Ended 31 March 2019	For the Year Ended 31 March 2018
I INCOME			
Revenue from operations	21	43,621	24,009
Other income	22	395	468
Total Income		44,016	24,477
II Expenses:			
Cost of Raw materials consumed	23	29,688	14,624
Changes in Inventories of Finished Goods, WIP & stock in trade	24	(2,897)	(1,109)
Employee benefits expenses	25	2,495	1,428
Finance costs	26	945	4,683
Depreciation and amortization expense	27	668	661
Other expenses	28	18,080	10,141
Total expenses		48,979	30,428
III Profit/(Loss) before Exceptional Item & Tax		(4,963)	(5,951)
Exceptional items	29	2,949	500
IV Profit/(Loss) before Tax		(2,014)	(5,451)
V Tax expense		-	-
VI Profit/(Loss) for the year		(2,014)	(5,451)
VII Other Comprehensive Income			
Items that will be reclassified subsequently to profit or loss			
Fair value change on derivatives designated as cash flow hedge		(127)	-
Items that will not be reclassified subsequently to profit or loss			
Re measurement of defined benefit obligation		(8)	13
Other Comprehensive Income for the year		(135)	13
Total Comprehensive Income for the year		(2,149)	(5,438)
Earning per Equity Share (Face Value of Rs.6 Per Share) :			
Basic & Diluted (in Rs.)	31	(0.88)	(5.84)
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: 15th May, 2019

For and on behalf of the Board of Directors

Anuj Burakia
Whole time Director
DIN: 02840211

Prakash Tatia
Director
DIN: 06559106

Narendra Kumar Bhandari
Chief Finance Officer

Rashmi Mamtura
Company Secretary
FCS: 8658

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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 31st March, 2018	6,506	-	6,506
As at 31st March, 2019	6,506	14,296	20,802

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

Particulars	Reserves and Surplus			Other Comprehensive Income		Total
	Retained Earnings	Securities Premium	Share options outstanding account	Effective portion of cash flow hedge	Remeasurements of net defined benefit plan	
Balance as at April 1, 2017	(50,951)	-	-	-	(34)	(50,985)
Profit / (Loss) for the year	(5,451)	-	-	-	-	(5,451)
Other comprehensive income for the year	-	-	-	-	13	13
Balance as at March 31, 2018	(56,402)	-	-	-	(21)	(56,423)
Profit / (Loss) for the year	(2,014)	-	-	-	-	(2,014)
Other comprehensive income for the year	-	-	-	(127)	(8)	(135)
Share option expense	-	-	166	-	-	166
Securities premium on share issue	-	14,295	-	-	-	14,295
Balance as at March 31, 2019	(58,416)	14,295	166	(127)	(29)	(44,111)

C. Share Application Money Pending Allotment (Refer Note No.: 13)

Particulars	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
As at 31st March, 2018	-	17,335	17,335
As at 31st March, 2019	17,335	-17,335	-

D. Money received against share Warrant (Refer Note No.: 13)

Particulars	Balance at the beginning of the year	Changes during the year	Balance at the end of the year
As at 31st March, 2019	-	2,082	2,082

Pursuant to Shareholders' approval sought at an Extra Ordinary General Meeting held on 15th May, 2018, Company at the meeting of a committee constituted by the Board of directors, held on 29th May, 2018 allotted 69,415,000 warrants carrying option to subscribe to equal number of equity shares of Rs.6 each at issue price of ₹ 12 per warrant.

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: 15th May, 2019

For and on behalf of the Board of Directors

Anuj Burakia

Whole time Director

DIN: 02840211

Prakash Tatia

Director

DIN: 06559106

Narendra Kumar Bhandari

Chief Finance Officer

Rashmi Mamtura

Company Secretary

FCS: 8658

STATEMENT OF CASH FLOWS

(Rs. In Lacs)

Particulars		Year ended 2018-19	Year ended 2017-18
A) Cash Flow from Operational Activities			
Profit/(loss) before exceptional Items and tax as per statement of profit and loss :		(4,963)	(5,951)
Adjustment for :			
Depreciation and amortization expenses	668		661
Financial Costs	945		4,683
Unrealized exchange difference (Net)	(26)		(1)
Interest Income	(307)		(329)
(Profit)/Loss on Sale of Property, Plant and Equipment	115		(2)
(Profit)/Loss on Sale of Investments	(13)		(126)
Expense on employee stock option scheme	166		-
Provision for Doubtful Debts	65		135
Sundry Credit Balances Written Back / Provision no longer required	-		(1)
Fair value change on derivatives designated as cash flow hedge	(127)		-
Re-measurements of net defined benefit plan	(8)		13
Exceptional Item	2,949		500
		4,427	5,533
Operating Cash Profit/(Loss) before Working Capital Changes		(536)	(418)
Changes in Working Capital :			
(Increase)/decrease in trade receivables & other Assets	(1,447)		(3,699)
(Increase)/decrease in inventories	(5,254)		(2,167)
Increase/(decrease) in trade & other payables	4,431		5,766
Increase/(decrease) in provisions	55		1
		(2,215)	(99)
Cash generated from / (used in) Operations		(2,751)	(517)
Less. Direct taxes paid(net of refunds)		(30)	(17)
Net cash flows (used in)/ generated from operating activities after exceptional items		(2,781)	(534)
B) Cash Flow from Investing Activities			
Acquisition of Property, Plant & Equipment (including Work in Progress and Capital Advance)	(8,428)		(1128)
Sale of Property, Plant and Equipment	345		3
Interest Income	307		329
Purchase of Investments	(7,890)		(36221)
Sale of Investments	14,613		29,637
Net Cash generated from / (used in) Investing Activities:		(1,053)	(7,380)

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Particulars		Year ended 2018-19	Year ended 2017-18
C) Cash Flow from Financing Activities			
Proceeds from long-term borrowings	-		685
Repayment of long-term borrowings	(25,610)		(3,062)
Proceeds of short term borrowings (net)	(4,406)		18,710
Share Application Money received & pending for allotment	-		17,335
Share / Warrant Issue	10,540		3,000
Interest Paid	(945)		(4,667)
Net Cash generated from / (used in) Financing Activities:		(20,421)	32,001
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		(24,255)	24,087
Cash and cash equivalents at the beginning of the year		24,258	171
Cash and cash equivalents at the end of year		3	24,258

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: 15th May, 2019

For and on behalf of the Board of Directors

Anuj Burakia

Whole time Director

DIN: 02840211

Prakash Tatia

Director

DIN: 06559106

Narendra Kumar Bhandari

Chief Finance Officer

Rashmi Mamtura

Company Secretary

FCS: 8658

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, 2019 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.

(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 as amended and other relevant provisions of the Act.

(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.

(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

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(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 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.

(h) 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
 - o The company has transferred substantially all the risk and rewards to the assets, or
 - o The company has neither transferred not retained substantially all the risk and rewards of the set but has transferred control of the asset.

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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 at 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 existing liability are substantially modified, such an exchange or modification is treated as the derecognition 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.

(i) 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.

(j) 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.

(iv) Share Based Payments

Equity settled share based payments to employees are measured at fair value of the equity instruments at grant date.

The fair value determined at the grant date of the equity-settled share based payment is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimates of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any is, recognised in Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the shared option outstanding account.

No expense is recognised for options that do not ultimately vest because non market performance and/ or service conditions have not been met.

(k) 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.

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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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

Effective 01st April, 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) – ‘Revenue from contracts with customers’ using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01st April, 2018. Accordingly, the comparative contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

- **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.

(p) 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.

(q) 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.

(r) 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.

(s) 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, 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
Additions	-	-	58	387	-	16	18	73	552
Disposals	-	-	-	-3859	-	-	-	-	-3859
Balance as at 31st March 2019	351	14	8,906	28,156	1,998	129	28	293	39,875
Accumulated depreciation:									
Balance as at April 1st, 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
Additions	4	-	244	379	19	5	2	15	668
Disposals	-	-	-	-3,399	-	-	-	-	-3,399
Balance as at 31st March 2019	84	-	4,976	22,545	1,976	101	12	215	29,909
Net carrying amount									
Balance as at 31st March 2018	271	14	4,116	6,063	41	17	-	20	10,542
Balance as at 31st March 2019	267	14	3,930	5,611	22	28	16	78	9,966

2B Capital Work in Progress

Particulars	Amount
Balance as at 31st March 2018	714
Balance as at 31st March 2019	8,515

The Company will commence depreciation of the cost of the Project and will cease to capitalize the expenses on the Project when the assets are available for use in the manner as intended by the Management, i.e. when all the Quality of Service parameters set by the Management are met.

Capital Work in Progress include:

- Rs. 6,556 lacs (previous year Rs. 714 lacs) on account of capital goods inventory.
- Rs. 1,959 lacs (previous year Nil) on account of project development expenditure including trail run loss of Rs. 549 lacs.

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, 2017	32	32
Additions	-	-
Disposals	-	-
Balance as at 31st March 2018	32	32
Additions	2	2
Disposals	-	-
Balance as at 31st March 2019	34	34
Accumulated depreciation:		
Balance as at April 1, 2017	32	32
Additions	-	-
Disposals	-	-
Balance as at 31st March 2018	32	32
Additions	1	1
Disposals	-	-
Balance as at 31st March 2019	33	33
Net carrying amount		
Balance as at 31st March 2018	0	0
Balance as at 31st March 2019	1	1

4 Income tax assets (net)

Particulars	As at 31st March 19	As at 31st March 18
Taxes paid (net of provision for tax)	223	192
	223	192

5 Other Non-current assets

Particulars	As at 31st March 19	As at 31st March 18
(Unsecured and considered good unless otherwise stated)		
Capital advances	323	247
	323	247

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6 Inventories

(Rs. In Lacs)

Particulars	As at 31st March 19	As at 31st March 18
Raw Materials	3,262	888
Semi Finished goods	4,952	3,065
Finished goods	1,216	206
Stores, spares and packing materials	2,439	2,457
Less: Provision for Obsolescence	(112)	(112)
Stores, spares and packing materials (Net of provision for Obsolescence)	2,327	2,345
Total	11,758	6,504

7 Investment

Particulars	As at 31st March 19	As at 31st March 18
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 March 19	As at 31st March 18
Unsecured, considered good	7,136	8,002
Doubtful	696	669
Total	7,832	8,671
Allowance for doubtful trade receivables	(696)	(669)
Total trade receivables	7,136	8,002

9 Cash and cash equivalents

Particulars	As at 31st March 19	As at 31st March 18
Cash and cash equivalents:		
Balances with banks		
In Current Accounts	1	14,427
Cash on hand	2	1
Other bank balances:		
Fixed Deposit	-	9,666
In Margin Deposit Accounts*	-	153
Other Receivables	-	11
Total	3	24,258

*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 March 19	As at 31st March 18
Other bank balances:		
Bank Deposit		
In Margin Deposit Accounts*	1,052	180
Other Receivables	10	4
Total	1,062	184

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

11 Other current assets

Particulars	As at 31st March 19	As at 31st March 18
(Unsecured and considered good unless otherwise stated)		
Security deposit	93	25
Loans & Advances to employees	4	-
Other Claim receivable/recoverable	213	4
Balances with statutory / government authorities	1,131	530
Advances to suppliers	480	100
Less: Provision on Advances to Suppliers	(10)	(10)
Advance to Supplier (Net of Provision)	470	90
Prepaid Expenses	157	50
Total	2,068	699

12 Equity Share capital

Particulars	As at 31st March 2019		As at 31 March 2018	
	No of shares	(Rs' In Lacs)	No of shares	(Rs' In Lacs)
Authorised:				
Equity shares of Rs.6 each	51,00,00,000	30,600	50,00,00,000	30,000
Preference Shares of Rs.10 each	25,90,00,000	25,900	26,50,00,000	26,500
	56,50,00,000	56,500	56,50,00,000	56,500
Issued , Subscribed and Paid up:				
Equity shares of Rs.6 each	34,66,94,164	20,802	10,84,35,840	6,506
Total		20,802		6,506

a) Reconciliation of the Number of Shares

Equity Shares : Face value of Rs.6 each	As at 31st March 2019		As at 31 March 2018	
	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
Shares issued during the year	23,82,58,324	14,296	-	-
Buyback/forfeiture/reduction shares	-	-	-	-
Outstanding at the end of the year	34,66,94,164	20,802	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	As at 31st March 2019		As at 31 March 2018	
	No of shares	% Held	No of shares	% Held
Equity Shares				
Welspun Steel Limited (WS Alloy Holding Pvt Ltd merged in Welspun Steel Limited)	15,55,47,034	44.87%	4,32,47,034	39.88%
Dilipkumar Lakhi	8,65,00,000	24.95%	-	-
Widescreen Holding Pvt Limited		*	2,41,43,333	22.27%
Magnificent Trading Pvt. Limited		*	70,12,334	6.47%
Calplus Trading Pvt. Limited		*	61,14,390	5.64%

* Holding less than 5%

c) Rights, Preference and Restriction attached to shares

Equity Shares:

The Company has 346,694,164 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 (i) Other Equity

Particulars	Reserves and Surplus			Other Comprehensive Income		Total
	Retained Earnings	Securities Premium	Share options outstanding account	Effective portion of cash flow hedge	Remeasurements of net defined benefit plan	
Balance as at April 1, 2017	(50,951)	-	-	-	(34)	(50,985)
Profit / (Loss) for the year	(5,451)	-	-	-	-	(5,451)
Other comprehensive income for the year	-	-	-	-	13	13
Balance as at March 31, 2018	(56,402)	-	-	-	(21)	(56,423)
Profit / (Loss) for the year	(2,014)	-	-	-	-	(2,014)
Other comprehensive income for the year	-	-	-	(127)	(8)	(135)
Share option expense	-	-	166	-	-	166
Securities premium on share issue	-	14,295	-	-	-	14,295
Balance as at March 31, 2019	(58,416)	14,295	166	(127)	(29)	(44,111)

ii) Share Application Money Pending Allotment

Particulars	As at 31st March 19	As at 31st March 18
Share Application Money Pending Allotment	-	17,335

iii) Money received against share Warrant

Particulars	As at 31st March 19	As at 31st March 18
Money received against share Warrant	2,082	-

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14 Borrowings

(Rs. In Lacs)

Particulars	As at 31st March 2019		As at 31st March 2018	
	Non-current	Current maturities	Non-current	Current maturities
Secured				
Indian Rupee term loans from banks	2,668	146	24,710	3,610
Unsecured				
Sales Tax Deferred Loan	104	104	208	104
Redeemable Preference Shares				
of Rs.10/- each fully paid up	23,042	-	23,617	-
Total	25,184	250	48,535	3,714

Secured:

- a) Rupee loan of Rs.2,814 lac (Previous year Rs. 28,320 lac) paripassu basis, by way of:
 - i. Equitable mortgage of immoveable properties on first charge basis.
 - ii. Hypothecation of movable fixed assets on first charge basis.
 - iii. Second charge on current assets.
- b) Rupee loans carry interest at bank prime lending rate /base rate/ MCLR plus margin. Loans of
 - i. Rs. 2,814 lacs (Previous year Rs. 13,690 lacs) are repayable in 32 quarterly installments starting from June 2017 and ending in July 2025.

Unsecured:

Sales Tax Deferred Loan is repayable from April 2015 in six equal annual installments.

a) Details of Preference Shareholders

i. Reconciliation of the Number of Shares

Particulars	As at 31st March 2019		As at 31 March 2018	
	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	8,89,04,271	8,891	5,89,04,271	5,891
Shares issued during the year	26,50,92,000	26,509	3,00,00,000	3,000
Buyback/forfeiture/reduction shares	15,48,00,000	15,480	-	-
Outstanding at the end of the year	19,91,96,271	19,920	8,89,04,271	8,891

ii. Details of Preference Shareholders

Particulars	As at 31st March 2019		As at 31 March 2018	
	No of shares	% Held	No of shares	% Held
Right Growth Trading Pvt Ltd	5,09,04,271	25.55%	5,09,04,271	57.26%
MGN Agro Properties Pvt Ltd	80,00,000	4.02%	80,00,000	9.00%
Welspun Steel Ltd	8,65,92,000	43.47%	3,00,00,000	33.74%
Dilipkumar Lakhi	2,72,00,000	13.65%	-	-
Ritesh Vilasrao Deshmukh	1,00,00,000	5.02%	-	-

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iii. Rights, Preference and Restriction attached to shares

Preference Shares:

The Cumulative Redeemable Preference Shares carry dividend of 12% per annum;

- i. The Cumulative Redeemable Preference Shares 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 Cumulative Redeemable Preference Shares 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 Cumulative Redeemable Preference Shares 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 Cumulative Redeemable Preference Shares 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.23rd October 2015).

The Non-Cumulative Redeemable Preference Shares carry dividend of 6.5% per annum;

- v. The Non-Cumulative Redeemable Preference Shares 35,792,000 are redeemable with premium of Rs.0 per share redeemable at par at on or before 15 months from the date of allotment (i.e.28th April 2018).
The Non-Cumulative Redeemable Preference Shares carry dividend of 0% per annum;
- vi. The Non-Cumulative Redeemable Preference Shares 80,250,000 are redeemable with premium of Rs.0 per share redeemable at par at on or before 15 months from the date of allotment (i.e.26th Sep 2018).
- vii. The Non-Cumulative Redeemable Preference Shares 24,250,000 are redeemable with premium of Rs.0 per share redeemable at par at on or before 15 months from the date of allotment (i.e.13th March 2019).

15 Provisions

(Rs. In Lacs)

Particulars	As at 31st March 19	As at 31st March 18
Provision for employee benefits: (Refer Note: 32)		
Provision for Leave encashment	43	35
Provision for Gratuity	138	124
Total	181	159

16 Borrowings

Particulars	As at 31st March 19	As at 31st March 18
Secured Loan		
From Banks		
Working Capital Loan	429	4,092
Unsecured Loan		
Working Capital Loan from Banks	800	800
Loan from Related Parties (Refer Note: 36)	-	20,075
Supplier finance facility	2,070	2,812
Preference Shares (Refer Note: 14)	11,604	-
Total	14,903	27,779

17 Trade payables

Particulars	As at 31st March 19	As at 31st March 18
Micro Small & Medium Enterprises	10	31
Others	12,575	7,439
Total	12,585	7,470

The company has amounts due to suppliers under the Micro, Small & Medium Enterprises Development Act 2006 (MSMED Act) as at 31st March 2019

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The disclosure pursuant to said act is as under:

(Rs. In Lacs)

Particulars	As at 31st March 19	As at 31st March 18
Principal amount remaining unpaid	10	18
Interest due thereon (* Rs. 49,387)	-	*
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
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 March 19	As at 31st March 18
Current maturities of long-term debt	250	3,714
Interest accrued and due	381	1,927
Interest accrued but not due	-	235
Book Overdraft	-	52
Employees dues payable	41	132
Dues for fixed assets purchases	337	270
Advance received against share warrant	6,247	-
Financial Liability Payable	127	-
Total	7,383	6,330

19 Other current liabilities

Particulars	As at 31st March 19	As at 31st March 18
Advances received from customers and others	169	76
Statutory dues payable	88	63
Provision for Expenses	486	184
Security deposit	603	-
Other Payables	-	1
Total	1,346	324

20 Provisions

Particulars	As at 31st March 19	As at 31st March 18
Provision for employee benefits: (Refer Note: 32)		
Provision for Leave encashment	18	10
Provision for Gratuity	52	28
Total	70	38

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21 Revenue from operations

(Rs. In Lacs)

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Sales of products:		
Finished goods	43,333	23,900
	43,333	23,900
Other operating revenues:		
Exports Incentives	4	1
Other Revenue	284	108
	288	109
Total	43,621	24,009

22 Other Income

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Interest from Bank & others	307	329
Miscellaneous Income	75	11
Profit on sales of Investment	13	126
Profit on sale of fixed assets (Net)	-	2
Total	395	468

23 Cost of materials consumed

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Cost of Raw materials consumed (Refer Note: 23a)		
Inventory at the beginning of the year	888	668
Add: Purchases	32,062	14,844
Less: Inventory at the end of the year	(3262)	(888)
Total	29,688	14,624

Details of Raw Materials Consumed:

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Metallic's	22,864	11,261
Ferro Alloys	5,188	3,058
Others	1,636	305
Total	29,688	14,624

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

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Inventories (at beginning)		
Finished Goods	206	348
Semi Finished Goods	3,065	1,814
Total (a)	3,271	2,162

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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 March 19	For the Year Ended 31st March 18
Inventories (at close)		
Finished Goods	1,216	206
Semi Finished Goods	4,952	3,065
Total (b)	6,168	3,271
Net (Increase)/Decrease		
Finished Goods	(1,010)	142
Semi Finished Goods	(1,887)	(1,251)
Total (a+b)	(2,897)	(1,109)

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Finished Goods		
Steel	971	206
Pipe	245	-
	1,216	206
Semi Finished Goods		
Steel	4,399	3,064
Pipe	553	1
	4,952	3,065

25 Employee benefits expense

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Salaries and wages	2,226	1,276
Contributions to provident and other funds	121	72
Contributions to Gratuity	40	26
Leave Encashment	23	13
Staff welfare expenses	85	41
Total	2,495	1,428

26 Finance cost

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Interest on Term Loan	411	3,422
Interest on Working Capital Loan	432	1,144
Other Borrowing Cost	102	117
Total	945	4,683

27 Depreciation and amortization expense

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Depreciation on Property, Plant and Equipment	667	661
Amortization on Intangible Assets	1	-
Total	668	661

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28 Other expenses

(Rs. In Lacs)

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Manufacturing and Other Expenses		
Consumption of stores & spares	6,317	2,413
Power and Fuel Expenses	8,768	5,897
Labour charges	530	338
Equipment hire charges	103	61
Job Work Expenses	723	211
Freight and forwarding charges	397	77
Excise duty on change in inventories	-	(39)
Repairs to buildings	48	4
Repairs to plant and machinery	144	56
Other repairs	40	11
Insurance	69	34
Communication Expenses	34	25
Provision Bad & Doubtful Debts	65	135
Rates and taxes	196	44
Excise Duty on sales	-	483
Travelling and conveyance	64	30
Vehicle Expenses including Hire Charges	105	80
Listing Fees	15	10
Professional and consulting charges	225	157
Director Sitting Fees	5	4
Auditors Remuneration		
-Audit Fees	8	8
-Tax Audit Fees	1	1
-Certification Fees	1	1
Exchange rate difference (net)	(26)	1
Selling and distribution expenses	1	1
Brokerage & Commission	3	1
Printing & Stationery	12	4
Security charges	53	37
Safety Expenses	3	4
Loss on sale/discard of assets (net)	115	-
Miscellaneous expenses	61	52
Total	18,080	10,141

29 Exceptional Item:

Particulars	For the Year Ended 31st March 19	For the Year Ended 31st March 18
Waiver Of Term Loan #	3091	500
Reversal of Input Tax Credit *	(142)	-
Total	2,949	500

During the quarter ended 30th June 2018, the Company paid Rs. 29,458 Lacs to lenders and got waiver of Rs. 3,091 Lacs. In the year ended on 31st March 2018, the Company paid Rs. 2,264 Lacs and got waiver of Rs. 500 Lacs.

* As per the recent Judgment of Supreme Court of India in case of Civil Appeal Nos 13047-13048 of 2017 held that reduction in input tax credit in case of sale in course of inter-state would be applied whenever a case gets covered by sub-clause (ii) and again when sub-clause (iii) of section 11(3) of Gujarat Value Added tax Act, 2003 is attracted. Accordingly during the quarter ended 30th June 2018 the Company has calculated and reversed Vat refundable amount of Rs 142 lacs pertaining to the earlier years.

30 GOING CONCERN

The company has raised funds through preferential allotment of shares and share warrant to Welspun Steel Limited & other investors and the amount raised have been utilized for repayment of borrowings, augmentation of working capital and capex for offering new / improved product range, there is significant reduction of debt and interest burden and better potential from the product range. Expansion project is at a very advance stage and upon start of commercial production; the company expects improvement in operational performance. Further our continued thrust to improve operational efficiency and initiative to raise funds are expected to result in sustainable cash flows. Accordingly, inspite of negative net worth of the Company, the Statement of financial result 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 31st March 19	As at 31st March 18
Earning Per Share has been computed as under		
Profit /(Loss) for the year	(2,014)	(5,451)
Less: Cumulative Dividend on 12% Cumulative Redeemable Preference Shares	707	883
Net Profit /(Loss) for the year considered for calculating Earnings per share	(2,721)	(6,334)
Weighted Average Number of equity shares outstanding		
- Basic	30,81,81,175	10,84,35,840
- Diluted	36,74,14,999	10,84,35,840
Face value per share in Rs.	6	6
Basic earnings per share in Rs.	(0.88)	(5.84)
Diluted earnings per share in Rs.	(0.88)	(5.84)

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 March 19	For the Year Ended 31st March 18
Employer’s Contribution to Provident Fund	121	72
Total	121	72

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 2019	As at 31 March 2018
A) Amount recognised in the Balance Sheet		
Gratuity:		
Present value of obligations	190	152
Fair Value of plan assets	-	-
Net assets / (liability) recognized in balance sheet as provision	(190)	(152)

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(Rs. In Lacs)

Particulars	As at	
	31st Mar 2019	31 March 2018
B) Statement of Profit and loss for current period		
Gratuity:		
Employee Benefit Expense :		
Current service cost	28	14
Net interest cost	12	12
	40	26
Other Comprehensive income		
Actuarial loss/(gain) on obligation	8	(13)
	8	(13)
Expense recognized in Total Other Comprehensive Income	48	13
C) Reconciliation of defined benefit obligation		
Gratuity:		
Opening Defined Benefit Obligation	152	158
Current Service cost	28	14
Interest cost	12	12
Actuarial loss/(gain) on obligation	8	(13)
Benefits paid	(10)	(19)
Closing Defined Benefit Obligation	190	152
D) Bifurcation of liability as per schedule III		
Gratuity:		
Current Liability*	52	28
Non-Current Liability	138	124
Net Liability	190	152
E) Principle actuarial assumptions	%	%
Discount Rate	7.66%	7.73%
Salary Growth Rate	4.00%	4.00%
Withdrawal Rates		
Upto 35 Years	30.00%	30.00%
From 36 to 45 Years	23.00%	12.00%
Above 46 Years	22.00%	14.00%

(Rs. In Lacs)

F) Sensitivity to key assumptions	March 31, 2019		March 31, 2018	
	DBO	Change in DBO (%)	DBO	Change in DBO (%)
Gratuity:				
Discount rate varied by 0.5%	190		152	
+0.5%	(10.53)	-5.5%	(0.69)	-0.5%
-0.5%	11.50	6.1%	0.69	0.5%
Salary growth rate varied by 0.5%	190	152		
+0.5%	11.87	6.3%	0.39	0.3%
-0.5%	(10.93)	-5.8%	(0.39)	-0.3%

G) Profit and loss account for subsequent period

	March 31, 2020
Service cost	33
Net interest cost	15
Total included in 'Employee Benefit Expense'	48

H) Maturity Profile of Defined Benefit Obligation

	Amount
Gratuity:	
2020	80
2021	80
2022	86
2023	101
2024	120

33 SHARE BASED PAYMENTS

Employee Stock Option Plan of RMG Alloy Steel Limited

During the current year ended 31st March, 2019, the Company had instituted an RMG Alloy Steel Limited Employee Stock Option (Senior Management Personnel) Scheme, 2018 as approved by the shareholders dated 15th May, 2018 for grant of stock option to senior managerial personnel of the Company.

Subject to terms and condition of the scheme, options are classified into three categories.

Particulars	Option A	Option B	Option C
No. of Options	6,23,700	6,23,700	5,34,600
Method of accounting	Fair Value	Fair Value	Fair Value
Vesting plan	1 Year	2 Years	3 Years
Grant date	01st June 2018	01st June 2018	01st June 2018
Vesting date	01st June 2019	01st June 2020	01st June 2021
Exercise/Expiry date	01st June 2022	01st June 2023	01st June 2024
Grant/Exercise price	Nil	Nil	Nil
Method of settlement	Equity – settled	Equity – settled	Equity – settled

Movement of options granted (in units)

Particulars	As at 31 March 19
Opening balance	-
Granted during the year	17,82,000
Exercised during the year	-
Forfeited/Lapse during the year	5,30,000
Closing balance	12,52,000
Vested	-

Expenses recognised in Profit & Loss Account during the period of Rs. 166 lacs.

The model inputs for fair value of option granted as on the grant date:

Particulars	Option A	Option B	Option C
Exercise price*	0.001	0.001	0.001
Dividend yield	0%	0%	0%
Risk free interest rate - Annual	7.84%	7.84%	8.02%
Expected volatility – Annual	56.85%	56.85%	56.85%
Fair value per option	25.50	25.50	25.50
Model used	Black Scholes	Black Scholes	Black Scholes

*RMG Alloy Steel Limited has granted Stock options at nil cost to the employees of company and thereby Exercise Price is Nil. But for computation purpose under Black Scholes Valuation, we have assumed the Exercise Price as 0.001.

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34 ADDITIONAL INFORMATION

(Rs. In Lacs)

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Amount	(%)	Amount	(%)
A) Value of Raw Material Consumed				
-Imported	2,858	9.63%	19	0.13%
-Indigenous	26,830	90.37%	14,605	99.87%
Total	29,688		14,624	
B) Value of Stores & Spares Consumed				
-Imported	376	5.96%	130	5.39%
-Indigenous	5,941	94.04%	2,283	94.61%
Total	6,317		2,413	

35 Contingent liabilities and commitments

Particulars	As at 31st March 2019	As at 31st March 2018
Capital Commitments not provided for (Net of advances)	1,569	588
Bank Guarantees	641	693
Bills Discounted	125	1,030
Service Tax	128	139
Disputed Sales Tax Demands	20	20
Claim against the Company not acknowledged as debts	458	527
Dividend on Cumulative Redeemable Preference Shares (CRPS)	3,881	3,353

36 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 separate reportable segments as per the requirement of (Ind AS - 108) on "Operating Segment". The Company has no reportable geographical segment.

Detail of customer contributing 10% or more of total revenue.

Particulars	March, 2019	
	Total Sale Value	% of Revenue
Mahindra CIE Automotive Limited	6,823	15.64%

37 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

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Key Managerial Personnel Anuj Burakia Whole Time Director Narendra Bhandari Nilesh Javker Rashmi Mamtura	Chief Finance Officer Company Secretary (upto 06th August 2018) Company Secretary (w.e.f 06th August 2018)
Non Executive Director Atul Desai Ashok Jain Balkrishan Goenka Prakash Tatia Amita Karia Hanuman Kanodia Aneel Lasod Narayana Rao Myneni	Non Executive Director & Independent Director Non Executive Director & Independent Director (upto 06th Aug 2018) Chairman & Non Executive Director (w.e.f 6th August 2018) Non Executive Director (w.e.f 28th August 2018) Non Executive Director & Independent Director Non Executive Director (upto 06th Aug 2018) Non Executive Director (upto 06th Aug 2018) Non Executive Director & Independent Director (w.e.f 28th August 2018)

Transactions with related parties

Particulars	For the Year Ended 31st March 19		For the Year Ended 31st March 18	
	Enterprise/ person having significant influence	Key Management Personnel and others	Enterprise/ person having significant influence	Key Management Personnel and others
Welspun Steel Limited				
Purchases	12,645		4,309	
Sales	964		492	
Interest to Creditors	-		7	
Loan received	5,467		23,405	
Loan repaid	377		330	
Interest on Loan	196		171	
Loan converted into preference share	8,459		3,000	
Preference share issue	200		-	
Loan/Preference share redemption amount utilised for issuance of Equity shares	13,476	-	-	
Loan/Preference share redemption amount utilised for issuance of share warrant	6,230		-	
Remuneration				
Narendra Kumar Bhandari		6		6
Rashmi Mamtura		1		-
Nilesh Javker		1		1
Anuj Burakia		**		-
Director Sitting Fees				
Atul Desai		2		1
Ashok Jain		1		1
Amita Karia		1		1
Aneel Lasod		*		*
Hanuman Kanodia		#		#
Narayana Rao Myneni		1		-

* In Current Year Paid of Rs. 30,000 and Previous year paid Rs. 40,000.

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

** During the year the company has granted 835,000 Employee Stock Options ("ESOP") under RMG Alloy Steel Ltd Employee Stock Options (Senior Management Personnel) Scheme 2018 (refer note no.33)

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Outstanding Balance with related parties

(Rs. In Lacs)

Welspun Steel Limited	As at 31st March 2019	As at 31st March 2018
Outstanding Payable	3,555	3,355
Closing Balance of Loan Payable	-	20,075
Interest Payable	367	171
Preference share	8,659	3,000
Share Warrant	6,230	-

38 Deferred Tax Liabilities (Net)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liability		
Related to Fixed Assets	1,642	1,663
Deferred Tax Asset		
Other Disallowances under Income tax Act, 1961	382	302
Unabsorbed Depreciation/Business Loss (Refer note below)	1,260	1,361
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.

Unused tax losses and unabsorbed depreciation on which no deferred tax asset is recognized in Balance Sheet

Particulars	As at March 31, 2019	As at March 31, 2018
Unused Tax losses	26,494	27,822
Unabsorbed Tax depreciation	35,744	35,040
Net Deferred Tax asset/ (liability)	62,238	62,862

- (1) Unabsorbed depreciation does not have any expiry period under the Income Tax Act 1961.
- (2) The Tax benefits for the losses would expire if not utilized starting from financial year 2020-21 to 2026-27.
- (3) No deferred tax benefit is recognized in absence of reasonable certainty that taxable income will be generated by the company to offset the losses.

39 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.

RMG ALLOY STEEL LIMITED

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 2019	Fair Value		
		Level 1	Level 2	Level 3
Financial assets at amortised cost				
Financial assets at amortised cost				
Trade receivables	7,136	-	-	-
Cash and cash equivalents	3	-	-	-
Bank balance other than cash and cash equivalent	1,062	-	-	-
Other financial assets	2,068	-	-	-
Financial assets At fair value through profit and loss				
Investments	-	-	-	-
	10,269	-	-	-
Financial liabilities				
Long term Borrowings	25,814	-	-	-
Short term Borrowings	14,903	-	-	-
Trade payables	12,585	-	-	-
Other financial liabilities	7,383	-	-	-
	60,685	-	-	-

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 equivalents	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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40 Financial risk management objectives and policies

(Rs. In Lacs)

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.

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

Particulars	As at 31 March 19	As at 31 March 18
Financial assets		
Cash and cash equivalent	3	24,258
Bank balances other than above	1,062	184
Trade receivables	7,136	8,002
Other financial assets	2,068	699
At end of the year	10,269	33,143

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 19	As at 31 March 18
Trade receivables:		
Less than 90 days	6,723	7,614
90 to 180 days	147	131
Over 180 days	266	257
	7,136	8,002

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.

41 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 specifically covered by forward exchange contracts as at year end are as follows:

Derivatives contracts outstanding (Foreign currency In Lacs)

Currency	As at 31 March 2019		As at 31 March 2018	
Forward contracts to buy USD	USD	65	-	-

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

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

Currency	As at 31 March 2019		As at 31 March 2018	
	Foreign currency	INR	Foreign currency	INR
USD	(3)	(177)	*	1
EURO	(1)	(41)	#	17

* USD 1233

Euro 21511

Foreign currency sensitivity

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

Currency	As at 31 March 2019		As at 31 March 2018	
	1 % increase	1 % decrease	1 % increase	1 % decrease
USD	2	(2)	(**)	**
EURO	*	(*)	(#)	#

*Rs. 40,690

** Rs. 804

Rs. 17,382

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:

Particulars	As at 31 March 19	As at 31 March 18
Financial assets		
Interest bearing - Fixed interest rate		
- Non current investment	-	-
- Non current fixed deposit	-	-
- Current fixed deposit	1,052	9,999

Particulars	As at 31 March 19	As at 31 March 18
Financial Liabilities		
Interest bearing		
Borrowings - Floating interest rate		
Working capital loan in rupee	1,229	4,892
Borrowings - Fixed interest rate		
-Loan	146	3,610
-Inter Company Loan	-	20,075

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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 19	As at 31 March 18
Increase in 50 bps points		
Effect on profit before tax	(6)	(24)
Decrease in 50 bps points		
Effect on profit before tax	6	24

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 2019 and 31 March 2018 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 2019						
Borrowings	1,229				-	1,229
Other financial liabilities	7,046	66	14	1	256	7,383
Trade and other payables	-	4,744	4,472	3,194	175	12,585
	8,275	4,810	4,486	3,195	431	21,197
Year ended 31 March 2018						
Borrowings	4,892		-	-	-	4,892
Other financial liabilities	6,060	270			6,330	
Trade and other payables	-	6,040	844	96	491	7,470
	10,952	6,310	844	96	491	18,692

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.

42 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, Securities 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.

Particulars	As at 31 March 19	As at 31 March 18
Borrowings	40,717	76,314
Trade payables	12,585	7,470
Other financial liabilities	7,383	6,330
Less: cash and cash equivalents	3	(24,258)
Net debt (a)	60,682	65,856
Total equity		
Total member's capital	(21,227)	(32,582)
Capital and net debt (b)	39,455	33,274
Gearing ratio (%) (a/b)*100	153.80	197.92

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: 15th May, 2019

For and on behalf of the Board of Directors

Anuj Burakia

Whole time Director

DIN: 02840211

Prakash Tatia

Director

DIN: 06559106

Narendra Kumar Bhandari

Chief Finance Officer

Rashmi Mamtura

Company Secretary

FCS: 8658

RMG ALLOY STEEL LIMITED

CIN : L27100GJ1980PLC020358

Registered Office : Plot No 1, G I D C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat - 393110.

Corporate Office : C/8, BKT House, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013.

Email : allcompanysecretaryofrmgl@welspun.com Website: www.rmgalloysteel.com

Tel: +91 -22-66136000 Fax: +91-22-2490 8020

ATTENDANCE SLIP

Name of the sole / first named member :

Address of sole / first named member :

Registered folio no. :

DP ID no. / Client ID no.* :

Number of shares held :

I hereby record my presence at 37th Annual General Meeting of the Company held on Friday, July 26, 2019 at Plot No.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch- 393110, Gujarat, at 09:00 AM.

Signature of Shareholder/ Proxy Present

Note: Members are requested to fill up the attendance slip and hand it over at the venue of the meeting.

----- Tear here -----

Important note for Electronic Voting:

The e-voting period commences on Tuesday, July 23, 2019 at 9:00 am and ends on Thursday, July 25, 2019 at 5:00 pm. The e-Voting module shall be disabled by CDSL for voting thereafter.

Please read the instructions before exercising the vote.

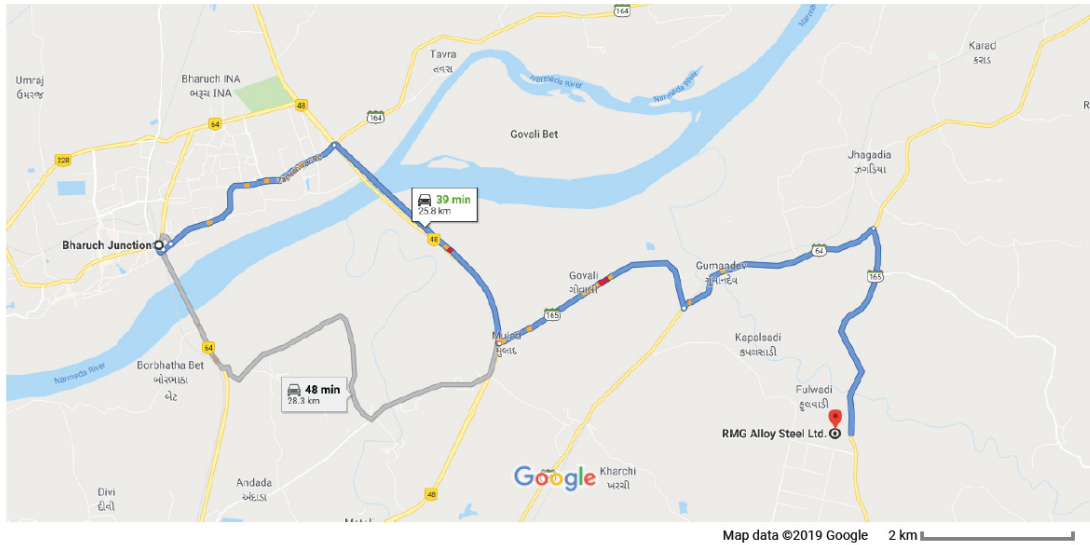
These details and instructions form integral part of the Notice dated June 18, 2019 of the Annual General Meeting.

LOCATION MAP:

Google Maps

Bharuch Junction to RMG Alloy Steel Ltd.

Drive 25.8 km, 39 min



Bharuch Junction

Railway Station Rd, Railway Colony, Bharuch, Gujarat 392012

- ↑ 1. Head south toward Railway Cir
2 s (9 m)

Follow Zadeshwar Rd to GJ SH 165

42 min (25.8 km)

- 📍 2. At Railway Cir, take the 1st exit onto Railway Station Rd
📍 Pass by HOTEL CLASSIC REGENCY (on the right)
300 m
- ↑ 3. At Lucky Mobile, continue onto Kasak Main Rd
📍 Pass by Kaypee Mechanical India Private Limited (on the right)
210 m
- 📍 4. At Kasak Cir, continue straight onto Maktampur Rd/Zadeshwar Rd
📍 Continue to follow Zadeshwar Rd
📍 Pass by Veggies On Wheels (on the left)
4.5 km
- ↘ 5. Turn right at Zadeshwar Chokdi onto GJ SH 165
⚠️ Partial toll road
📍 Pass by Arihant Auto Tyres (on the left)
5.8 km
- ↙ 6. Turn left to stay on GJ SH 165
📍 Pass by Tejal Construction (on the left in 3.1 km)
5.2 km
- ↙ 7. Turn left onto GJ SH 165/GJ SH 64
📍 Pass by Hotel Bapa Sitaram (on the left)
4.8 km
- ↘ 8. Turn right at Shiv Nasta House 🏠 શિવ નસ્તા હાઉસ onto GJ SH 165
📍 Pass by Ramdevpir Mandir (on the left)
4.9 km

RMG Alloy Steel Ltd.

Jhagadia GIDC, Fulwadi, Gujarat 393110

Unit : RMG Alloy Steel Limited

Subject: - Reminder for dematerialising physical securities and for Updating the KYC details.

Dear Sir/Madam,

The SEBI Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, BSE Circular No. LIST/COMP/15/2018-19 dated July 5, 2018 and NSE Circular No. NSE/CML/2018/26 dated July 9, 2018 and the SEBI Notification dated November 30, 2018, we advise you that since transfer of physical securities (except in case of transmission or transposition of securities) shall not be permitted and with effect from April 1, 2019 hence you are advised to dematerialise your physical securities before that date.

The procedure for dematerialization of securities is available on the Company's website www.rmgalloysteel.com —> Investors Relation—> Notice —> Procedure to Dematerialize the physical shares.

We refer to the SEBI Circulars No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 and SEBI/HO/MIRSD/DOS3/CIR/P/2018/11 5 dated July 16, 2018 by which SEBI has directed all the listed companies to record the **PAN** and **Bank Account** details of all securities holders holding securities in physical form. In case where you are holding shares of the Company in physical form, we request you to submit the relevant documents by ticking in the appropriate checkboxes on the basis of "**Required**" remarks as mentioned in the KYC form **within 21 days from the date of this letter**. Kindly refer to the list of supporting documents to be submitted for updating your KYC details as per the table printed below.

Sr. No	REQUEST TO BE UPDATED	SUPPORTING DOCUMENTS
A	PAN	● Self-attested legible copy of PAN card (exempted for security holders from Sikkim)
B	BANK ACCOUNT DETAILS	● Self-attested legible copy of address proof. Any 1 from, a. Utility bill (not older than 3 months) b. Aadhaar Card c. Passport. ● Original cancelled cheque leaf of registered security-holder ● Legible copy of Bank Statement/Passbook with details of registered security-holder viz. name, address, account number etc. duly attested by Bank Manager or equivalent (If shareholders' name is not printed on chq leaf)
C	SPECIMEN SIGNATURE	● Affidavit for change of signature shares/bonds, duly notarised on non-judicial stamp paper of Rs. 100/- * ● Format for signature verification * ● Original cancelled cheque leaf ● Legible copy of Bank Statement/Passbook with details of security-holder viz. name, address, account number etc. duly attested by Bank Manager or equivalent (If shareholders' name is not printed on chq leaf)
D	EMAIL ID	● To be mentioned in KYC form
E	MOBILE NO.	● To be mentioned in KYC form
F	NOMINATION	● Nomination Registration form *

Note: 1. * The relevant formats are available on our website http://www.bigshareonline.com/rt-operations.html?tab=form_ipo
2. Single copy of document is sufficient for updating multiple requests.

Kindly note that, as per SEBI directive, enhanced due diligence procedure will be applicable if KYC requirements are not fulfilled.

Yours faithfully,

For Bigshare Services Pvt Ltd

Sd/-

Authorised Signatory

To
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

Date: __/__/____

Dear Sir Madam,

Based on the data as mentioned in the table overleaf, we are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below for all the fields where the status is shown as 'Required' in the table.

- A For registering PAN of registered security-holder and joint security-holders
Registered security-holder Joint holder 1 Joint holder 2 Joint holder 3
- B For registering Bank details of registered security-holder only
Aadhaar /Passport/utility bill Original cancelled cheque leaf Bank Passbook/Bank Statement
- C For registering the Specimen Signature of registered security-holder and joint security-holders
Affidavit Format for signature verification Original cancelled cheque leaf Bank Passbook/Bank Statement
- D For Updating the email id of registered shareholder only: _____
(for the purpose of sending all communication via email)
- E For updating Mobile No. of registered security-holder only:

--	--	--	--	--	--	--	--	--	--
- F For registering the nominee details by the registered security-holder only: Nomination Registration form

Note: - 1. Security-holders from Sikkim can provide self-attested copy of Aadhaar Card/Voters Card/Driving License/Passport or any other identity proof as issued by Govt. 2. Single copy of document is sufficient for updating multiple requests.

I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed by affixing my/our signature(s) to it

Sign: _____

Sign: _____

Sign: _____

Sign: _____

Registered

holder Joint holder 1

Joint holder 2

Joint holder 3

Form No. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014
CIN : L27100GJ1980PLC020358

Name of the Company: RMG ALLOY STEEL LIMITED

Registered Office : Plot No. 1, G.I.D.C. Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat 393110, India.

Email : allcompanysecretaryofrmgl@welspun.com Website: www.rmgalloysteel.com

Corporate Office : C/8, BKT House, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013.
Tel No: +91 -22-66136000 Fax: +91-22-2490 8020

Name of the member (s): _____

Registered Address: _____

E-mail Id: _____

Folio No / Client ID _____ DP ID _____

I/ We _____ being the member(s) of Equity Shares of the above named company, hereby appoint:

1. Name) : _____
Address: _____

E-mail Id: _____

Signature: _____ or failing him/her

2. Name) : _____
Address: _____

E-mail Id: _____

Signature: _____ or failing him/her

3. Name) : _____
Address: _____

E-mail Id: _____

Signature: _____

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on Friday, July 26, 2019 at 9.00 a.m. at the Registered Office of the Company at Plot No. 1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat 393110 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject of the Resolution	Vote	
		For	Against
1.	Approval of Audited Financial Statements for the financial year ended March 31, 2019 and reports of the Board and Auditors thereon.		
2.	Re-appointment of Mr. Prakash Tatia (DIN: 06559106) who is retiring by rotation.		
3.	Ratification of appointment of Pathak H.D. & Associates, Statutory Auditors.		
4.	Ratification of remuneration payable to the Cost Auditor.		
5.	Re- Appointment of Mr. Atul Desai (DIN: 00019443) as Independent Director for second term.		
6.	Approval of remuneration to Mr. Anuj Burakia (Whole Time Director) by way of 835,000 ESOPs.		
7.	Change of name of the Company from RMG Alloy Steel Ltd to Welspun Specialty Solutions Ltd or such other name as may be approved by Central registration Cell of the Ministry of Corporate Affairs.		
8.	Approval of modification in terms of 35,792,000 6.5% Redeemable Preference Shares of Rs. 10/- each by change in tenor from present "15 months from the date of allotment" to "18 months from the date of allotment".		
9.	Approval of material related party transactions with Welspun Steel Ltd.		

Signed this day of2019.

Affix Re. 1
Revenue
stamp

Signature of shareholder

Signature of Proxy Holder(s) : 1) _____ 2) _____ 3) _____

Note:

- 1) Please complete all the details including details of member(s) in the above Box before submission.
- 2) It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/ she thinks appropriate.
- 3) **A proxy can act on behalf of such number of member or members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company. Provided that a member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.**
- 4) The Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

If undelivered, please return to:

RMG ALLOY STEEL LIMITED

C/8, BKT House, Trade World, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013.

E-mail: allcompanysecretaryofrmgl@welspun.com

Website: www.rmgalloysteel.com