

RMG ALLOY STEEL LIMITED
(Formerly known as Remi Metals Gujarat Limited)

NOTICE

To,
The Members

NOTICE is hereby given that the 31st Annual General Meeting of **RMG ALLOY STEEL LIMITED** (Formerly known as Remi Metals Gujarat Limited) will be held at its Registered Office, Plot No.1, G.I.D.C Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, in the state of Gujarat on Saturday, 21st September, 2013, at 12.30 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013 and the Audited Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr Atul Desai who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr Abhishek Mandawewala who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and approve re-appointment of M/s. Chaturvedi & Shah, Chartered Accountants as Statutory Auditors, who retires at the meeting and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr Ashok Jain, whose term as an additional director expires at this meeting and a notice under Section 257 has been received from a shareholder of the Company proposing his appointment as a director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Mr. Shashank Chaturvedi, whose term as an additional director expires at this meeting and a notice under Section 257 has been received from a shareholder of the Company proposing his appointment as a director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Mr. V. S. Iyer, whose term as an additional director expires at this meeting and a notice

under Section 257 has been received from a shareholder of the Company proposing his appointment as a director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

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

“RESOLVED THAT Mr. Hanuman Kanodia, whose term as an additional director expires at this meeting and a notice under Section 257 has been received from a shareholder of the Company proposing his appointment as a director, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956 (the “Act”) and, Schedule XIII to the Act and subject to approval of Banks and Financial Institutions and such other approval as may be required under the Act or otherwise, Mr. Shashank Chaturvedi be and is hereby appointed as an Executive Director of the Company for a period of 3 years w.e.f. 19th October 2012 on aggregate remuneration upto the limit of Rs.53,09,508 p.a. inclusive of all perquisites, allowances and gratuity with a power to the Board of Directors to increase remuneration upto 25% of the last drawn remuneration every year with effect from 1st April of the financial year commencing from the financial year 2013”

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to issue letter of appointment, a draft whereof is placed before this meeting and do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this Resolution.”

“RESOLVED FURTHER THAT where in any financial year closing after 31st March, 2012. The Company has no profits or its profits are inadequate, the Company do pay to Mr. Shashank Chaturvedi remuneration by way of salary, perquisites, allowances and gratuity not exceeding Rs. 53,09,508 per annum or remuneration as increased by the Board of Directors as a minimum remuneration.”

RESOLVED FURTHER THAT the Board be and is hereby authorised to alter and vary the terms and conditions to the said appointment to the extent the Board may consider appropriate and as may be agreed to between the Board and Mr. Shashank Chaturvedi.”

31ST ANNUAL REPORT 2012-13

10. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force) (hereinafter referred to as the “Act”), and other provisions and regulations as may be applicable in view of the nature of the transaction concerned, 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 (hereinafter referred to as “Board”, which term shall include any committee constituted by the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board by this resolution) to issue and allot Preference shares not exceeding issue amount of Rs. 15,00,00,000/- (Rupees Fifteen Crores only) in one or more tranche(s) including share premium to the Promoter/Co-promoter/Strategic Investor by way of preferential allotment on the terms and conditions including share premium, rate of dividend and terms of redemption as the Board at its absolute sole discretion may decide in accordance with applicable law;”

By Order of the Board

Place: Mumbai
Date: 31/05/2013

Shashank Chaturvedi
Executive Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER.
2. The Register of Members of the Company will remain closed from Tuesday, 17th September 2013 to Friday, 20th September 2013, both days inclusive.
3. An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, relating to the special business to be transacted at the meeting is appended hereto.
4. All correspondence pertaining to Equity Shares should be forwarded to the Company's Registrar and Share Transfer Agent M/s. Bigshare Service Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
5. Members are requested to immediately inform about their change of address or consolidation of folios, if any, to the Company's Share Transfer Agent.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

SPECIAL BUSINESS:-

ITEM NO. 5 to 8

The terms of appointment of Mr Ashok Jain, Mr. Shashank Chaturvedi, Mr. V. S. Iyer, Mr. Hanuman Kanodia who had been appointed by the Board of Directors as Additional Directors under Section 260 of the Companies Act, 1956, hold office upto the conclusion of the 31st Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 have been received from shareholders of the Company for their appointment as directors of the Company.

Mr. Ashok Jain aged 62 years. He is Chartered Accountant and has more than 40 years of experience in the field of finance, accounts & banking.

Mr. Shashank Chaturvedi has long experience in steel industry and is professionally qualified Chartered Accountant.

Mr. V. S. Iyer aged 89 years is a practicing Company Secretary and has vast experience in company law matter.

Mr. Hanuman Kanodia aged 50 years is a Practicing Chartered Accountant

They do not have any share in the Company.

Members are requested to approve the resolution at item no. 5 to 8 as Ordinary Resolutions.

None of the directors of the Company except appointee themselves are in any way concerned or interested in the resolution relating to their respective appointment.

ITEM NO. 9

Appointment of Mr Shashank Chaturvedi as an Executive Director

Board of Director has recommended appointment of Mr. Shashank Chaturvedi as an Executive Director with the effect from 19th October 2012.

Mr. Shashank Chaturvedi has been associated with the Company since March, 1999 as an Executive Director of the Company and held this position upto 5th March 2009.

He held the position of President - Finance and Accounts of the Company with effect from 17th March 2011 and he is appointed as an Executive director with effect from 19th October 2012. He has long experience in steel industry and is professionally qualified Chartered Accountant.

A copy of draft appointment letter for appointment of Mr. Shashank Chaturvedi is available for inspection of members at the registered office of the Company at any working day of the Company between 11.00 a.m. & 1.00 p.m.

The above may also be treated as an abstract of the draft agreement proposed to be entered into between the Company and Mr. Shashank Chaturvedi pursuant to Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Shashank Chaturvedi himself is in any way concerned or interested in the said resolution.

RMG ALLOY STEEL LIMITED

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Information pursuant to Schedule XIII of the Company's Act, 1956.

GENERAL INFORMATION:

- 1) Nature of industry – Iron & steel
- 2) Financial performance based on given indicators –
(Rs. In Lacs)

	Year ended 31-03-2013	Year ended 31-03-2012
Sales & Other Income	35686	58712
Profit / (Loss) before interest, depreciation	(2253)	741
Interest and Financial Charges	4850	4215
Depreciation and Amortization	2227	2227
Profit / (Loss) before tax	(9330)	(5701)
Less : Fringe Benefit Tax	-	-
Profit/ (Loss) after Tax	(9330)	(5701)

- 3) Export performance and net foreign exchange collaboration -
FOB value of export : 2012-13 – Rs. 806 Lacs (2011-12 – Rs.1847 Lacs)

INFORMATION ABOUT THE APPOINTEE:

- 1) Background details:
Mr. Shashank Chaturvedi has been associated with the Company since March, 1999 as an Executive Director of the Company and held this position upto 5th March 2009.
He was appointed as a President - Finance and Accounts of the Company with effect from 17th March 2011 and then appointed as an Executive director with effect from 19th October 2012. He has long experience in steel industry and is professionally qualified chartered accountant.
2. Past remuneration: Rs.4,42,459 per month inclusive of all perquisite aggregating to Rs.53,09,508 p.a.
- 2) Job profile and his suitability
He is a Chartered Accountant and has more than 26 years of experience in the field of finance and steel industry. In view of his long experience with the Company as an executive director/President (Accounts and Finance) and his professional qualification, your directors are of view that he should be appointed as an executive director of the Company.
- 3) Remuneration proposed - not exceeding Rs. 53, 09,508 per annum inclusive of all perquisites, benefits, performance allowance, all other allowances, employers P.F. contributions, Books & periodicals, Leave Travel concessions etc. with power to the Board of Directors to increase his remuneration upto 25% of the last drawn remuneration every year with effect from 1st April of the financial year commencing from the

financial year 2013.

- 4) 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 w.r.t. the country of his origin) Looking to his long experience and association with the Company, the proposed remuneration is justified to retain the managerial person.
- 5) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

He is not related directly or indirectly with the managerial personnel. Further, he has no pecuniary relationship with the Company except as an Executive director of the Company

OTHER INFORMATION:

- 1) Reasons of loss or inadequate profits
The Company is a sick company. The Company suffered losses due to less utilization of Plant capacity in view of poor demand of steel.
- 2) Steps taken or proposed to be taken for improvement
The Company is trying to develop niche market, increase new customers, develop new grades of steel, etc to increase utilization of plant capacity.
- 3) Expected increase in productivity and profits in measurable terms
The Company expects to utilize the Plant's capacity to the maximum extent and the losses may be contained if steps are taken to reduce burden of interest

ITEM NO. 10

Issue of preference shares

The Company has to finance cost of scheme under Modified Draft Rehabilitation Scheme which is pending for approval before BIFR and as such the Company proposes to raise finance by way of issue of preference shares to promoter/ co promoter/strategic investor on preferential basis.

Pursuant to Section 81 (1A) of the Companies Act, 1956 approval of shareholders is necessary by passing a special resolution.

None of the directors of the Company have any interest or concern in the proposed resolution except to the extent of subscribing the issue by any Company in which they are directly or indirectly interested.

By Order of the Board

Place: Mumbai
Date: 31/05/2013

Shashank Chaturvedi
Executive Director

31ST ANNUAL REPORT 2012-13

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their 31st Annual Report together with Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	Year ended 31-03-2013	Year ended 31-03-2012
Sales & Other Income	35686	58712
Profit / (Loss) before interest, depreciation	(2253)	741
Interest and Financial Charges	4850	4215
Depreciation and Amortization	2227	2227
Profit / (Loss) before tax	(9330)	(5701)

OPERATIONS

Performance of Alloy Steel and Seamless Tubes of the Company was as under:

Particulars	2012-13			2011-12		
	Production (Tones)	Sales (in Qty.)	Gross Sales (in Lacs)	Production (Tones)	Sales (in Qty.)	Gross sales (₹ in Lac)
Steel	54048	54521	29011	96649	95768	53334
Seamless Pipes	6445	6186	6286	11543	11494	10824

Steel & pipe division have not operated on full capacity in view of lack of demand in view of recession in steel market. Automobile , construction, infrastructure sectors have not fared well during the year which resulted into poor demand for steel. Losses incurred by the Company have eroded working capital of the Company. Power cost has increased due to less heat order. Given the sluggish demand and high production cost, the pressure on the profitability is expected to continue.

The Company however is constantly trying to develop new grades, new customers and get their approvals for the products of the Company from reputed manufacturers.

DIRECTORS

Since the last report, the following changes took place in the Board of Directors-

- Resignation of Shri Rajesh R. Mandawewala w.e.f. 9th August 2012;
- Resignation of Shri.R.G.Sharma, Shri. Rajendra C. Saraf and Shri. Rishabh Saraf w.e.f. 07.02.2013
- Resignation of Shri Vijay Singh Bapna w.e.f. 1st April 2013
- Resignation of Shri Abhishek R. Mandawewala from the office of Executive Director w.e.f. 1st April 2013 but continues as a director of the Company
- Appointment of Shri Shashank Chaturvedi, Shri. Ashok Jain, Shri V. S. Iyer and Shri Hanuman Kanodia as Additional directors.

Your directors appreciate Shri Rajesh R. Mandawewala, Shri.R.G.Sharma, Shri. Rajendra C.Saraf, Shri. Rishabh Saraf and Shri Vijay Singh Bapna for their services as members of the Board.

In accordance with the provisions of the Companies Act, 1956, Mr. Abhishek Mandawewala , Shri Atul Desai retire by rotation at 31st Annual General Meeting and being eligible offered themselves for reappointment.

Mr. Ashok Jain, Mr. Shashank Chaturvedi , Mr. V. S. Iyer , Mr. Hanuman Kanodia who have been appointed by the Board of Directors as Additional Directors under Section 260 of the Companies Act, 1956, hold office upto the conclusion of the 31st Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 have been received from shareholders of the Company for their appointment as directors of the Company.

Your directors recommend their appointments/reappointments.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your directors confirm that:

- in the preparation of the annual accounts for the financial year ended March 31, 2013, all the applicable accounting standards had been followed along with proper explanations relating to material departures;
- they have 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 and of the profit or loss of the Company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts for the financial year ended March 31, 2013 on a going concern basis.

AUDITORS

M/S. Chaturvedi & Shah hold office of Auditors until the conclusion of the 31st Annual General Meeting. Members are requested to reappoint them for continuing in the office until conclusion of the next Annual General Meeting.

AUDITORS' OBSERVATIONS

References drawn by the auditors' in their report are self explanatory.

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

In terms of the above rules, the Directors are pleased to give the particulars as prescribed therein in the Form A , which forms part of the Directors' Report. Form B relating to research and technology absorption being nil is not attached.

Foreign exchange used and earning is mentioned below:

Used: Rs. 4275 Lacs (Rs..7476 Lacs)

Earning: Rs. 806 Lacs (Rs.1847 Lacs)

PARTICULARS OF EMPLOYEES

There were no employees covered under the purview of section 217 (2A) of the Companies Act 1956 and the rules framed thereunder.

COST AUDITOR

The Company has appointed M/S. Kiran J Mehta & Co, Cost Accountant as a Cost auditor of the Company. Due date of filing the cost audit report is 27th September 2013.

CORPORATE GOVERNANCE

A separate report on Corporate Governance is annexed hereto as a part of this Report. Management Discussion and Analysis Statement is separately given in the Annual Report. A certificate from Ms. Mansi Damania, Practising Company Secretary regarding compliance of conditions of Corporate Governance as prescribed under Clause 49 of the Listing Agreement is attached to this report.

ACKNOWLEDGEMENT

The Board takes this opportunity to express its sincere appreciation for the excellent support and co-operation received from the Company's customers, suppliers, bankers and the share holders for their consistent support to the Company.

The directors also sincerely acknowledge the significant contributions made by all employees for their dedicated services to the Company.

For and on behalf of the Board of Directors

Abhishek Mandawewala
Director

Shashank Chaturvedi
Executive Director

Place: Mumbai
Date: 30/05/2013

ANNEXURE
FROM-A
(SEE RULE 2)

FROM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		Current Year 2012-13	Previous Year 2011-12
Power and Fuel Consumption			
1	Electricity		
	a Purchased		
	Units (In'000S)	61315	109195
	Total Amount (Rs. In Lacs)	4021	6715
	Rate / Unit (Rs.)	6.56	6.15
	b Own generation	Nil	Nil
2	Gas Used	Gas Used	
	Units (In'000S)	8317	12850
	Total Amount (Rs. In Lacs)	2609	2842
	Rate / Unit (Rs.)	31.37	22.12
3	Furnace Oil		
	Quantity (K.Ltrs)	Nil	Nil
	Total Amount (Rs. In Lacs)	Nil	Nil
	Average Rate (k Ltr.)	Nil	Nil
4	Others / Internal Generation	Nil	Nil
CONSUMPTION PER UNIT OF PRODUCTION		STANDARDS	
	Products (with details)		
	Steel (Production In MT)	54045	96649
	Pipe (Production In MT)	6445	11543
	Electricity / Steel kwh	855	952
	Electricity / Pipe kwh	1305	1533
	Steel Production/ MT		
	Natural Gas	86	103
	Pipe Production/ MT		
	Gas	281	430
			362

MANAGEMENT AND DISCUSSION ANALYSIS

A) INDUSTRY STRUCTURE, SCENARIO & DEVELOPMENT

Indian steel companies have been losing some of their sheen. Profits of many of these companies have either fallen or remained flat in the last 10 quarters

Steel industry growth is set to remain muted with subdued demand from consuming sectors such as infrastructure and realty. Besides, constraints in sourcing iron ore and restriction on mining activities will pose a major challenge for the industry. Given the sluggish demand and high production cost, the pressure on the profitability of steel companies is expected to continue.

The main factors impacting growth in India are the inflationary pressure, the fiscal deficit, lower demand from consuming sectors such as automotive, construction, capital goods and consumer durables and the problem of capital inflow. Further, there are delays in obtaining clearances, especially environmental clearances, land acquisition, overdue reforms.

Iron ore mining restrictions, high prices and inferior quality of iron ore being auctioned have also adversely impacted the Karnataka-based sponge iron players.

Struggling economies put the brakes on infrastructure building in the world during the financial crisis. That slowdown is going to hurt steel sector.

Lower industrial production and reduced investment in large scale infrastructure projects have resulted in a marked decrease in the growth of steel demand from both the developed and emerging markets.

It is unlikely that steel demand will significantly improve in 2013, largely because of the continuing economic crisis in developed countries and the structural shift in the Chinese economy. Moderate recovery is only expected in 2014-15, although steel demand is likely to improve faster in emerging markets.

Global steelmaking capacity will continue to exceed demand growth in 2013 with excess capacity of 479 million tons forecast. As a result, capacity utilization is expected to remain below 80% in 2013 to limit the amount of excess supply in the market. Margins will continue to be tight into 2013 as steel prices will remain flat and costs are unlikely to decrease significantly in 2013. From 2014, the demand outlook will improve modestly resulting in modest increases in capacity utilization and steel prices.

Global steel prices are expected to remain flat in 2013 as supply continues to outstrip demand due to the failure of producers worldwide to shut down excess production capacity. China continues to struggle with overcapacity and sluggish demand.

Reforms announced by the Government will provide a fillip to growth in the economy. Huge investments planned in infrastructure-Railways, Seaports, Airports, Highways, Bridges, etc. if made, will boost demand for steel. With the general expectation of modest growth globally and sustained raw material prices, steel prices are expected to be firm up and be stable in the year ahead.

The formation of the Cabinet Committee on Infrastructure for single window clearance for mega projects will generate activity in the power and road sectors which would push up steel demand.

In addition, lowering of interest rates by Reserve Bank of India will provide impetus to the manufacturing and consumer durables sectors.

The full impact of all these will be felt in 2013-14.

The United States' economy showing signs of growth in the long-term augurs well for steel makers. This is because the US is the largest importer of steel. Industry watchers also expect a modest two-and-a-half per cent growth in Europe, against the backdrop of negative growth this year.

At the same time, demand for finished products such as cold rolled, galvanised and automotive steels is expected to go up.

After several months of range-bound movement, prices of steel products have started inching up gradually in the Indian markets, amid expectations of resurgence in construction demand after the winter season. The market is mirroring the global trend, where steel prices are continuously rising due to higher cost of production on an upsurge in input cost.

India is poised to become the world's second largest steel producer. However, this is subject to companies finding the right technology to produce special categories of steel. Currently, with 74 million tones annual production in 2011, India is the fourth largest producer. Per capita steel consumption went up to 59 kg in 2011-12, from 34 kg in 2004-05. Per capita steel consumption in Rural India is very low – about 10 kgs and as such there is abundant scope for increase in demand. Monsoons have improved, augurs well for the economy.

B) OPPORTUNITY & THREATS

Demand of steel in global market mostly depends upon growth of infrastructure in China, India and other developing countries. Constant increase in price of steel and coking coal may affect competitiveness of Indian end users of steel. Further, increase in competition affect margin of profits.

The Company concentrates in Niche market. The Company shall concentrate Aerospace, Defense, Railway, Drilling, Yellow Good, Oil & Gas (Export), Turbine, Wind Energy, Machine/Ship Building, Gear Development, Engines, Open Die Forgers etc.

The Company is taking various steps to utilize its existing capacity to the maximum extent.

C) SEGMENTWISE AND PRODUCTWISE PERFORMANCE

Product wise performance is given in Directors Report under heading operations.

D) RISK & CONCERNS

Additional capacity being generated for production of Alloy Steel in India caused pressure on sales & margin.

However the Company expects to mitigate the impact of risks and concerns since the Company concentrates on niche products.

E) INTERNAL CONTROL SYSTEM

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

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

F) INDUSTRIAL RELATIONS & HUMAN RESOURCES

Human resource is the key factor for the success of any organization. Your Company places considerable emphasis on continuous enhancement of skills and performance of human resources across the organization.

G) DISCUSSION & FINANCIAL PERFORMANCE

REVENUE

Revenue from operation of the Company is of Rs.35686 Lacs during the year ended 31st March 2013 as compared to Rs. 58712 Lacs during the year 31st March 2012.

EBDITA

Profits/(Losses) before depreciation & financial charges during the year ended 31st March 2013 was of Rs.2253 Lacs as compared to profits of Rs.741 Lacs for the year ended 31st March 2012.

H) 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.

CORPORATE GOVERNANCE - CLAUSE 49 OF THE LISTING AGREEMENT

A. Company's Philosophy

Remi Metals Gujarat 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.

B. Board of Directors

i) Composition:

Details of composition of the existing Board of Directors as on 31st March 2013 are given below:

Sr. No.	Name of Director	Category	No. of Shares Held	Attendance Particulars		Director-ship in other public limited companies	Committee Chairmanship/ membership in other public limited companies
				Annual General Meeting	Board Meeting		
1	Mr. Atul Desai	I,NE,C	Nil	Yes	5	9	3C/7M
2	Mr. Nirmal Gangwal	I,NE	Nil	No	2	5	1M
3	Mr. Abhishek Mandawewala (Executive director upto 1st April 2013)	SI,E	Nil	No	5	3	1M
4	Mr. Shashank Chaturvedi (Executive director with effect from 19th October 2012)	E	Nil	No	3	-	-
5	Mr. Ashok Jain	I, NE	Nil	No	1	2	-
6	Mr. Vijay Singh Bapna (upto 1st April 2013)	NE	Nil	No	5	2	1M
7	Mr. Hanuman Kanodia (w.e.f. 30/5/2013)	NP	Nil	No	N.A.	1	-
8	Mr. V. S. Iyer (w.e.f. 30/5/2013)	NP	Nil	No	N.A.	1	-

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.

ii) Details of Date of Board Meeting:

During the year 2012-13, the Board of Directors met six times on the following dates: -15.05.2012, 13.07.2012, 09.08.2012, 19.10.2012, 09.11.2012 & 07.02.2013.

C. COMMITTEES OF THE BOARD

The Committee constituted by the Board as on the date are mentioned below:

1. AUDIT COMMITTEE

The Audit Committee consists of the following 3 Non-Executive Directors as on 31.03.2013.

Mr. Atul Desai	-	Chairman (Independent)
Mr. R. G. Sharma	-	Member (Independent) (Upto 07.02.2013)
Mr. Abhishek Mandawewala	-	Member
Mr. Ashok Jain	-	Member (Independent) (w.e.f 06.02.2013)
Mr. Nirmal Gangwal	-	Member (Independent) (w.e.f.13.07.2012)

The Secretary of the Company also acts as a Secretary to the Committee.

31ST ANNUAL REPORT 2012-13

Terms of reference:

The terms of reference stipulated by the Board of Directors to the Audit Committee are as contained under clause 49 of the Listing Agreement.

Five meetings of Audit Committee of Board of Directors were held on 12.05.2012, 13.07.2012, 09.08.2012, 09.11.2012 & 07.02.2013. The details of Attendance of Members of audit committee are as follows:

Sr. No.	Name of the Member	Designation	Number of Meetings Attended (01/04/2012 to 31/03/2013)
1	Mr. Atul Desai	Chairman	5
2	Mr. R. G. Sharma	Member	4
3	Mr. Abhishek Mandawewala	Member	5
4	Mr. Ashok Jain	Member	1
5	Mr. Nirmal Gangwal	Member	1

2. REMUNERATION COMMITTEE

Remuneration committee of the Board of Directors of the Company consists of the following persons:

Mr. Atul Desai	- Member
Mr. Nirmal Gangwal	- Member
Mr. R. G. Sharma	- Member (upto 07.02.2013)
Mr. Abhishek Mandawewala	- Member
Mr. Ashok Jain	- Member (w.e.f 07.02.2013)

During the year 2012-13, Remuneration Committee meeting was held on 19.10.2012 and the meeting was attended by Mr. Atul Desai and Mr. R. G. Sharma the members of the Committee, Leave of absence was granted to Mr. Nirmal Gangwal & Mr. Abhishek Mandawewala.

Terms of Reference

To recommend payment of Remuneration to Managing Director/Executive Director from time to time.

The details of Remuneration paid/due during the period under review to Mr. Abhishek Mandawewala and Mr. Shashank Chaturvedi, Executive directors are mentioned below:

(Amt. in Rs.)

Particulars	Mr. Shashank Chaturvedi (Executive Director) (w.e.f. 19th October, 2012)	Mr. Abhishek Mandawewala (Executive Director)
Basic	9,59,134	6,63,192
HRA	2,87,740	2,65,272
Incentive	8,38,035	0
Bonus/ Exgratia	79,898	55,248
Other benefits	2,69,515	4,04,808
Total	24,34,322	13,88,520
notice period	3 months	3 months
service contract	3 Years	5 Years

The details of sitting fees paid to Non Executive Directors of the Company are given below:

Name of Director	Total Sitting Fees Paid for attending meeting of Board of Directors /Audit Committee/Share transfer and Investors Grievance Committee/Remuneration committee for the year 2012-13
Mr. Atul Desai	Rs.78000/-
Mr. R. G. Sharma	Rs.64000/-
Mr. Ashok Jain	Rs.13000/-
Mr. Nirmal Gangwal	Rs.18000/-

3. SHARE TRANSFER AND INVESTORS' GRIEVANCE COMMITTEE

- a) The Share Transfer and Investors' Grievances Committee focused on shareholder's grievances and strengthening of investor relations. The functions of the Committee include specifically looking into redressal of investors' grievances pertaining to Transfer of shares, Dematerialization of shares, replacement of lost/ stolen/mutilated share certificates and other related issues.

RMG ALLOY STEEL LIMITED
(Formerly known as Remi Metals Gujarat Limited)

b) Composition and details of attendance of members of the Committee are as follows:

Sr.No.	Name of the Member	Designation	Number of Meetings Attended (01/04/12 to 31/03/13)
1.	Shri. Atul Desai	Chairman	6
2.	Shri. Ram Gopal Sharma	Member (Upto 07.02.2013)	3
3.	Shri. Abhishek Mandawewala	Member	6
4.	Shri. Shashank Chaturvedi	Member (w.e.f 07.02.2013)	1

c) Compliance officer – Shri K. N. Kapasi, Company Secretary (upto 19-10-2012)

d) Six meetings of Share Transfer and Investors Grievance Committee were held on 13.04.2012, 22.06.2012, 06.07.2012, 31.10.2012, 30.11.2012 & 01.03.2013.

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

During the year under review, total Investor's complaints/ requests were received. Break up and number of complaints/ requests received under different category is given hereunder:

Sr. no.	Category	No. of complaints Recd
1	Non receipt of annual report	4
2	Non receipt of Demat credit	4
3	Non receipt of Demat rejection documents	4
4	Non receipt of dividend warrant	8
5	Non receipt of exchange share certificates	32
6	Non receipt of share certificate after transfer	4
7	SEBI	3
	Total Complaints Recd	59

All the complaints/ requests received during the year under report were resolved within the time limit to the satisfaction of the investors/ shareholders and no complaints were pending as on 31st March 2013.

D. GENERAL BODY MEETINGS:

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

Date	Type of meeting	Location	Time	No. of special Resolutions
04/09/2010	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 P.M.	1
29/09/2011	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 P.M.	1
21/09/2012	Annual General Meeting	Plot No.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat	12.30 P.M.	1

(ii) Details of Special Resolutions passed in the last three years are given hereunder:

Date	Location	No. of special Resolutions	Special Resolutions passed
04/09/2010	Plot no.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch	One	Appointment of Mr. Abhishek Mandawewala as an Executive Director on remuneration of Rs.15,00,000 per annum with effect from the date of AGM for a period of Five years.
29/09/2011	Plot no.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch	One	Alteration in Article no. 157 relating to affixation of Common Seal of the Company in the presence of any one of the directors or company secretary or any authorized person.
21/09/2012	Plot no.1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch	One	Consent to Board of Directors to make investment in equity shares and preference shares of Welspun Captive Power Generation Limited upto a limit of Rs.1.30 crores.

31ST ANNUAL REPORT 2012-13

- (iii) During the year under report, the following Special resolutions through postal ballot were announced as passed on 28th November 2012:

Sr. no.	matter
1	Consent to Board of Directors to make investment in equity shares and preference shares of Welspun Captive Power Generation Limited upto a limit of Rs.1.30 crores.
2	Consent to Board of Directors to offer, issue and allot 4,02,42,857 12% Cumulative Redeemable Preference shares of Rs.10/- each fully paid up at a premium of Rs.25/- per share to Welspun Fintrade Private Limited by converting un-secured loan of Rs.140,84,99,995 obtained from them.

E. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis of various businesses of the Company is separately given in the Annual report.

F. DISCLOSURES

- (i) Transactions with related parties are disclosed in Note No.30 of Notes forming part of the financial statements. None of these are in conflict with the interests of the Company.
- (ii) There was no non-compliance of any law or regulations (during the last three years) and hence, no penalties/strictures.
- (iii) Certification by CEO/CFO – Certificate obtained from Executive Director and Financial Controller (Finance) on the financial statements of the Company in terms of Clause 49 of the Listing Agreement was placed before the Board meetings, who took the same on record.
- (iv) Brief resume of Directors being appointed / reappointed –
1. Mr. Abhishek Mandawewala aged 26 years is B.A./M. Eng. (Hons) form University of Combridge, UK and he has experience of more than four years.
 2. Mr. Shashank Chaturvedi aged 48 years. He is Executive Director of the Company since last 2 years and has more than 23 years of experience in the field of management of finance.
 3. Mr. Ashok Jain aged 62 years. He is Chartered Accountant and has more than 40 years of experience in the field of finance, accounts & banking.
 4. Mr. Atul desai is a partner of M/s. Kanga & Co., leading Law firm. Mr. Atul Desai has attended large number of matters relating to merger, amalgamation, litigations, arbitration involving commercial dispute etc.
 5. Mr. V.S.Iyer aged 89 years is practising Company Secretary and has vast exprience in Company law matter.
 6. Mr.Hanuman Kanodia aged 50 years is a practising Chartered Accountant.

G. MEANS OF COMMUNICATION

The Board of Directors of the Company approves and takes on record the audited financial results for the year ended 31-03-2012, unaudited financial results for quarter ended 30-06-2012,30-09-2012 and 31-12-2012 and forwarded the results to the Bombay Stock Exchange Ltd and published the same in Economic Times (E+G), Ahmedabad edition.

H. GENERAL SHAREHOLDER INFORMATION:

The next Annual General Meeting shall be held at –

- | | |
|---|--|
| (i) Venue | - Plot no. 1, GIDC Industrial Estate, Valia Road, Jhagadia, Dist. Bharuch, Gujarat, |
| Time | - 12.30 P.M |
| Day and Date | - Saturday, 21st September, 2013 |
| Financial year | - from 1st April 2012 to 31st March 2013 |
| (ii) Date of Book Closure | - from Tuesday 17th September 2013 to Friday 20th September 2013 (both days inclusive) |
| (iii) Dividend payment date | - No dividend has been recommended for the financial year 2012-13. |
| (iv) Listing on Stock Exchanges and codes | |

The securities of the Company are listed on the Bombay Stock Exchange (Scrip code – 500365)