

RMG ALLOY STEEL LIMITED
(Formerly known as “REMI METALS GUJARAT LIMITED”)

NOTICE

To,
The Members

NOTICE is hereby given that the 33rd 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 Wednesday, 30th September, 2015, 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 2015 and the Audited Profit and Loss Account for the year ended on that date.
2. To appoint a Director in place of Mr. V S Iyer who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Hanuman Kanodia who retires by rotation, and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), 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), the Company hereby ratifies the appointment of M/s. Chaturvedi & Shah, Chartered Accountants (Firm Registration No.101720W), as the Statutory Auditors of the Company to hold office from the conclusion of 33rd Annual General Meeting until the conclusion of the 34th Annual General Meeting to be held for the financial year 2015-16 on such remuneration as may be determined by the Board of Directors.”

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 pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Kiran J. Mehta & Co. the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending March 31, 2016, at a remuneration of Rs.30,000/- be and is ratified”
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“Resolved that pursuant to the provisions of Sections 149, 150, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Amita Karia who has been appointed as an additional independent director by the Board of Directors and in respect of whom the Company has received notice from a member proposing her appointment, be and is hereby appointed as an independent director of the Company for two years with effect from 31st March 2015 to 30th March, 2017. ”
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
“Resolved that pursuant to the provisions of Sections 152, 161 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Anuj Burakia who has been appointed as an additional director by the Board of Directors and in respect of whom the Company has received notice from a member proposing his appointment, be and is hereby appointed as a director of the Company. ”
8. To consider and if thought fit to pass with or without modification(s), following resolution as a Special Resolution:
“RESOLVED THAT subject to the approval of Central Government, if required and pursuant to Section 196, 197 and other applicable provisions of and Schedule V to the Companies Act, 2013, Mr. Anuj Burakia, be and is hereby appointed as a Whole time director of the Company for a period of three years with effect from 29th July, 2015 on a remuneration of Rs. 10,00,000 /- per annum 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 July of the financial year commencing from the financial year 2016”.

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“RESOLVED FURTHER THAT the Board of Directors be and is 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, 2015, the Company has no profits or its profits are inadequate, the Company do pay to Mr. Anuj Burakia remuneration as mentioned in the aforesaid resolution.”

“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. Anuj Burakia.”

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

“RESOLVED THAT pursuant to the provisions of Sections 13, 61 and all other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder as may be amended from time to time and the Articles of Association of the Company, and the regulations/guidelines, if any, prescribed by any relevant authorities from time to time, to the extent applicable, the approval of the members be and is hereby granted to increase the authorized share capital of the Company from the existing Rs.120,00,00,000 (Rupees One Hundred Twenty Crores Only) divided into 11,00,00,000 (Eleven Crores only) Equity Shares of Rs.6/- (Rupees Six Only) each , 5,40,00,000 (Five Crores Forty Lacs) Preference shares of Rs.10 (Rupees Ten only) each to 130,00,00,000 (Rupees One Hundred Thirty Crores Only) divided into 11,00,00,000 (Eleven Crores only) Equity Shares of Rs.6/- (Rupees Six Only) each , 6,40,00,000 (Six Crores Forty Lacs) Preference shares of Rs.10 (Rupees Ten only) each.”

RESOLVED FURTHER THAT pursuant to the applicable provisions of the Act, the existing Clause V of Memorandum of Association of the Company is hereby repealed and replaced as follows:

“V. (A) The Authorised Share Capital of the Company is Rs. 130,00,00,000/- (Rupees One Hundred Thirty Crores Only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs. 6/- (Rupees Six Only) each, 6,40,00,000 (Six crores Forty Lacs) Preference Shares of Rs. 10/- (Rupees Ten Only) each, with power to increase or reduce the capital for the time being and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, cumulative, convertible, preference, guaranteed, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, alter, modify, amalgamate or abrogate any such rights, privileges or conditions in such a manner as may for the time being be provided for by the Articles of Association of the Company or by the law in force for the time being.

(B) The Company is having minimum paid up capital of Rs.5,00,000/- (Rupees Five Lac only) or such higher paid up capital as may be prescribed under the Section 2 (71) of the Companies Act , 2013.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to 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.”

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 14 and all other applicable provisions, if any, of the Companies Act, 2013 (The Act), Article No. 3 of Articles of the Association of the Company be and is hereby altered by –

- i. substituting first Para starting from “ The Authorised share capital” and ending before the word “ with power to” as mentioned below:

The Authorised Share Capital of the Company is Rs. 130,00,00,000/- (Rupees One Hundred Thirty Crores Only) divided into 11,00,00,000 (Eleven Crores) Equity Shares of Rs. 6/- (Rupees Six Only) each, 6,40,00,000 (Six Crores Forty Lacs) Preference Shares of Rs. 10/- (Rupees Ten Only) each.

“RESOLVED THAT pursuant to Section 14 and all other applicable provisions, if any, of the Companies Act, 2013 (The Act), Article No. 3 A as mentioned below be added after Article no. 3 of Articles of the Association of the Company :

- 3 A The Company is having minimum paid up capital of Rs.5,00,000/- (Rupees Five Lac only) or such higher paid up capital as may be prescribed under the Section 2 (71) Of the Companies Act, 2013.”

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to 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.”

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11. 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 62 and all other applicable provisions, if any, of the Companies Act, 2013 and Rule 9 of the companies (share capital and debentures) Rule 2014 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) to issue and allot 92,00,000 12% Redeemable Preference shares of Rs.10 each at a premium of Rs.25/- per shares aggregating to Rs. 32,20,00,000/- (Rupees Thirty Two crores Twenty Lacs only) in one or more tranches to the Promoter/Co-promoter/ Strategic Investor/associate companies of promoter/co-promoter/co-promoter, on the terms as prescribed hereunder :

- a) The priority with respect to payment of dividend or repayment of capital vis a vis equity shares: -
 - Payment of Dividend or repayment of capital in case of Preference shares shall have priority over Equity shares;
- b) The participation in surplus fund-
 - Nil
- c) The participation in surplus assets and profits on winding-up which may remain after the entire capital has been repaid-
 - Nil;
- d) the payment of dividend on cumulative or non-cumulative basis-
 - payment of dividend on cumulative basis;
- e) the conversion of preference shares into equity shares:
 - Not convertible
- f) the voting rights-
 - No voting rights;
- g) the redemption of preference shares-
 - Preference shares are redeemable at a 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.

By Order of the Board

Place: Mumbai

Date: 8th July, 2015

Director

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. Proxies submitted on behalf of limited companies, etc., must be supported by appropriate resolutions/authority, as applicable.

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.
3. 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.
4. A statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special business to be transacted at the meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual report to the meeting.
6. 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.

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7. The Register of Members of the Company will remain closed from Tuesday 22nd September, 2015 to Thursday 24th September, 2015, both days inclusive.
8. 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 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 Share Transfer Agent.
9. 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 Registrars and Transfer Agents, M/s. Bigshare Service Pvt. Ltd to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to M/s. Bigshare Service Pvt. Ltd, Registrars and Transfer Agents.
10. 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.
11. The Company will send full Annual Reports 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 documents in electronic form at the said e-mail address.
12. 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.
13. 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 Service Pvt. Ltd, Registrars and Transfer Agent, for consolidation into a single folio.
14. The Notice for the Annual general meeting and the Annual Report 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 shall also be available on the Company's website at: www.rmgalloysteel.com.
15. 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 facility to exercise their right to vote at the 33rd Annual general meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL). The e-voting facility is available at the link <https://www.evoting.nsdl.com>

The electronic voting particulars are set out below:

| EVEN (E-voting event number) | User ID | Password / PIN |
|------------------------------|---------|----------------|
| | | |

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

| Commencement of e-voting | End of e-voting |
|--------------------------------|--------------------------------|
| 9.00 a.m. 27th September, 2015 | 5.00 p.m. 29th September, 2015 |

Please read the instructions printed overleaf before exercising the vote.

These details and instructions form integral part of the Notice for the Annual General Meeting to be held on 30th September, 2015.

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INSTRUCTIONS FOR E-VOTING

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

- I. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - a. i. Open the e-mail and also open PDF file namely “RMGASL e-voting of AGM.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - b. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - c. Click on Shareholder – Login.
 - d. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - e. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - f. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
 - g. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
 - h. Select “EVEN” (E-Voting Event Number) of RMG Alloy Steel Limited for and EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the voting period..
 - i. Now you are ready for e-voting as Cast Vote page opens.
 - j. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted. Upon confirmation, the message “Vote cast successfully” will be displayed. Kindly note that vote once cast cannot be modified.
 - k. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - l. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - m. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to almakhija_cs@yahoo.co.in, with a copy marked to evoting@nsdl.co.in.
 - n. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
 - o. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 23rd September, 2015.
- A. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - a. Initial password is provided in the enclosed Attendance slip: EVEN (E-Voting Event Number), user ID and password.
 - b. Please follow all steps from Sl. No. (a) to Sl. No. (j) above, to cast vote.
- B. In case of any queries you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the “downloads” section of <https://www.evoting.nsdl.com> or contact NSDL by email at evoting@nsdl.co.in or send e-mail to the Company at allcompanysecretaryofrmgl@welspun.com or Registrar & Share Transfer Agent or call on toll free no.: 1800-222-990.
- C. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

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- D. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 23rd September, 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
- E. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- F. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- G. 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 remote e-voting as well as voting at the AGM through ballot paper
- H. Mr. A. L. Makhija, Company Secretaries (Membership No. 5087) has been appointed as the scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- I. The Chairman shall, at the AGM, 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 AGM but have not cast their votes by availing the remote e-voting facility
- J. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, 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.
- K. The Results declared along with the report of the Scrutinizer shall be placed on the Company's website www.rmgalloysteel.com and on the website of NSDL 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 Limited, Mumbai.
- L. The remote e-voting period commences on 27th September, 2015 at 9.00 a.m. and end on 29th September, 2015 at 5.00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 23rd September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

By order of the Board

Place: Mumbai
Date: 8th July, 2015

Nilesh Javker
Company Secretary

Registered Office of the Company:

Plot No.1, G.I.D.C Industrial Estate, Valia Road,
Jhagadia, Dist: Bharuch, Gujarat
Corporate Identity Number: L27100GJ1993PLC020358
Phone: 91 2645 619700, Fax: 91 2645 619800,
E-mail: allcompanysecretaryofrmgl@welspun.com ,
Website: www.rmgalloysteel.com

RMG ALLOY STEEL LIMITED
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EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION AS REQUIRED PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

ITEM NO. 5

The Board, on the recommendation of the audit committee, has approved the appointment of 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, 2016 at a remuneration of Rs.30,000/-p.a.

Pursuant to the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to M/s. Kiran J. Mehta & Co , Cost auditors for the financial year ending March 31, 2016

None of the key managerial personnel or directors of the Company or their relatives have any interest or concern in the proposed resolution.

Shareholders' approval is sought by way of ordinary resolution proposed under Item no.5 of the accompanying Notice.

ITEM NO. 6

Mrs. Amita Karia is a Company secretary of a limited company with experience of 5 years.

Board of directors of the Company at their meeting held on 31st March 2015 has opined that Mrs. Amita Karia fulfills all conditions for appointment as an independent director specified in Companies act 2013 particularly Section 149(6) read with rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable rules and regulations; board at their meeting held on 31.03.2015 has appointed her as an independent director for a period of two years from 31st March 2015 to 30th March 2017 subject to approval of shareholders.

She does not hold any share in the Company.

None of the key managerial personnel or directors of the Company or their relatives except Mrs. Amita Karia herself may be deemed to be concerned or interested in this resolution

ITEM NO. 7 and 8

Board of Directors at their meeting held on 28th May 2015 decided to appoint Mr. Anuj Burakia as an additional director as mentioned in resolution no.7. He has been appointed as a whole time director with effect from 29th July, 2015 by the Board of directors at their meeting held on 8th July 2015 on remuneration as mentioned in resolution no.8.

Mr. Anuj Burakia, aged 35 years is a qualified Chartered Accountant having experience of about 12 years in steel industry. He headed Welspun Steel Limited (WSL) since 2008 and was executive director of WSL for last four years.

A copy of draft letter pertaining to his appointment is kept open for inspection of members at the registered office of the Company on any working day of the Company between 11.00 a.m. and 1.00 p.m. upto the date of this Annual General Meeting.

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

Information pursuant to Schedule V of the Companies Act, 2013

GENERAL INFORMATION:

- 1) Nature of industry – Steel
- 2) Financial performance based on given indicators –

(Rs. in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---------|---------|
| Sales and other income | 34533 | 41871 |
| Profit/(Loss) before Interest, Depreciation and exceptional items | 244 | 267 |
| Interest and Financial charges | 4988 | 4970 |
| Depreciation and Amortization | 1177 | 2228 |
| Profit/ (Loss) before exceptional items and tax | (5921) | (6931) |
| Exceptional items | 2259 | 3519 |
| Profit/(Loss) before tax | (3662) | (3412) |

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INFORMATION ABOUT THE APPOINTEE:

1) **Background details:**

- 2) Mr. Anuj Burakia, aged 35 years is a qualified Chartered Accountant having experience of about 12 years in steel industry. He had been involved with various businesses activities including pipe and plate business. He headed Welspun Steel Limited (WSL) since 2008 and was executive director of WSL for last four years.

3) **Past remuneration:**

Rs. 74,87,502/- per annum inclusive of all perquisites and benefits

3) **Job profile and his suitability:**

Mr. Burakia is in the steel industry since about 12 years and he is having a great insight relating to the steel industry. Currently he is heading the overall business activities of Company.

4) **Remuneration proposed:**

Rs. 10, 00,000 /- per annum inclusive of all perquisites and allowances with a power to the Board of Directors to increase remuneration upto 25% of the last drawn remuneration every year with effect from 1st July of the financial year commencing from the financial year 2016.

5) **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person:**

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.

6) **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 a whole time director of the Company. He does not hold any equity shares 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 has appointed BOB Capital Markets Ltd to carry out viability study & to structure Corrective action plan (CAP) for the Company. The exercise is done to structure a viable rectification plan for the Company to overcome the current stress.

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. 9 to 11

Increase in authorised share capital , alteration of clause V, alteration of article 3 and addition of article 3 A of articles of association as mentioned in resolution no. 9 and 10 are necessary for issue of preference shares as mentioned in item no. 11 and hence resolutions

The Company is registered as a sick company under Sick Industrial Companies Act (SICA) 1985. BIFR has stipulated while sanctioning scheme of revival in their scheme dtd. 23.09.2008 that any shortfall in cash flow shall be sourced through promoters. A Joint Lenders' Forum had proposed a viable corrective action plan (CAP) to bring the Company out of its current stressed situation. Promoters are required to infuse fund of Rs. 20.00 crores immediately and further infusion Rs. 12 Crores at a later stage for funding of existing planed Capex / future Capex plan. Corrective action plan as proposed by Joint Lenders' Forum is kept 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.

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Information as required under rule 9 of the companies (Share capital and debentures) rules 2014 are mentioned below:

- a) the size of the issue and number of preference shares to be issued and nominal value of each share :
- 92,00,000 12% Cumulative Redeemable Preference shares of Rs.10/- each at premium of Rs.25/- per share aggregating to Rs.32,20,00,000;
- b) the nature of such shares i.e. cumulative or non - cumulative, participating or non-participating , convertible or non – convertible:-
- Cumulative, Non-participating, non-convertible;
- c) the objectives of the issue:
- Promoters contribution to fund Corrective Action Plan as suggested by Joint Lenders' Forum
- d) the manner of issue of shares:-
- to promoter/ co-promoter/strategic investor/Associate companies of promoter/co-promoter/strategic investor on preferential basis;
- e) the price at which such shares are proposed to be issued:-
- shares shall be issued at a face value of Rs.10/- each per share at a premium of Rs.25/- per share;
- f) the basis on which the price has been arrived at:-
- Based on the price at which preference shares were allotted earlier on 11th February 2014.
- g) the terms of issue, including terms and rate of dividend on each share, etc.:-
- i. Dividend shall be payable on cumulative basis at 12% p.a on paid-up value of shares;
- ii. Redeemable as per the terms mentioned below.
- h) the terms of redemption, the manner and modes of redemption:-
- Preference shares are redeemable at a 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. the current shareholding pattern of the company as produced below:

| Particulars | Equity shares as on 30.06.2015 | |
|---|--------------------------------|-------------------|
| | No. of shares | % to total shares |
| Promoter and promoter group | 9,46,18,859 | 87.26 |
| Financial institutions/FIIs/Mutual fund | 40,681 | 0.04 |
| Public | 1,37,76,300 | 12.70 |
| Total | 10,84,35,840 | 100.00 |

- j. the expected dilution in equity share capital upon conversion of preference shares. the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion: -
- Preference shares are not convertible, terms of redemption and premium on redemption are mentioned above in para (h).

Pursuant to rule 9 of the companies (share capital and debentures) Rule 2014, approval of shareholders is necessary by passing a special resolution.

Shareholders' approval is sought by way of –

- i. ordinary resolution for increase in authorised share capital and alteration of clause V of Memorandum of Association as mentioned in item no. 9
- ii. Special Resolution for alteration of Article 3, addition of Article 3 A as proposed in item no.10
- iii. Special Resolution for issue of preference shares as proposed in item no. 11 of the accompanying Notice.

None of the key managerial personnel or directors of the Company or their relatives have any interest or concern in the proposed resolutions mentioned in item no. 9 to 11.

By Order of the Board

Place: Mumbai
Date: 8th July, 2015

Director

33RD ANNUAL REPORT 2014-2015

DIRECTORS' REPORT

To,
The Members,
RMG Alloy Steel Limited,

Your Directors are pleased to present the Thirty-Third Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March 2015.

I. FINANCIAL RESULTS

(Rs. in Lacs)

| Particulars | 2014-15 | 2013-14 |
|---|---------|---------|
| Sales and other income | 34533 | 41871 |
| Profit/(Loss) before Interest, Depreciation and exceptional items | 244 | 267 |
| Interest and Financial charges | 4988 | 4970 |
| Depreciation and Amortization | 1177 | 2228 |
| Profit/ (Loss) before exceptional items and tax | (5921) | (6931) |
| Exceptional items | 2259 | 3519 |
| Profit/(Loss) before tax | (3662) | (3412) |

OPERATIONS

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

| | 2014-15 | | | 2013-14 | | |
|----------------|-----------------------|---------------------|-----------------------------|-----------------------|---------------------|----------------------------|
| Particulars | Production (Tones) | Sales (Qty M.T.) | Gross Sales (Rs.in Lacs) | Production (Tones) | Sales (Qty M.T.) | Gross Sales (Rs.in Lac) |
| Steel | 58183 | 59147 | 36980 | 75702 | 75844 | 45605 |
| Seamless pipes | 11 | 11 | 1077 | 419 | 873 | 902 |

The Company has lost production for 24 days in October 2014 due to breakdown in transformer. Entire steel industry is operating at 30-40% capacity.

The Company concentrates on niche market since our competitors manufacturing facilities are based on blast furnace which has low cost of production as compared to our facilities which is based on electrical furnace. The management concentrates on product mix which give more margin, some of the products are now approved by Original Equipment Manufacturers (OEM) and some of the OEM has recommended to their suppliers (forger companies) to buy products from the Company.

Value addition in Spheroidization will increase our tonnages from existing & new customers with higher contributions. Production of high margin & high value added category of steel is already started & will enhance our overall earnings. The Product known as AISI O-1 is used in the Pharma industry

The Company has appointed BOB Capital Markets Ltd to carry out viability study & to structure Corrective action plan (CAP) for the Company. The exercise is done to structure a viable rectification plan for the Company to overcome the current stress. As per the scheme, Rupee Term Loan of Rs. 145 Crores is approved by the consortium banks & Working capital limits will be reduced by Rs. 95 Crores.

II. DIRECTORS' RESPONSIBILITY STATEMENT

- in the preparation of the annual accounts, 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 2015 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;