

# **RMG ALLOY STEEL LIMITED**

**37<sup>TH</sup> 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: allcompanysecrearyofrmgl@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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### 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:

	2018-19			2017-18		
Particulars	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 Gudioho	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
<b>Employee wise details of options granted to:-</b>	
<ul style="list-style-type: none"> <li>Key managerial personnel Mr. Anuj Burakia</li> </ul>	835,000
<ul style="list-style-type: none"> <li>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</li> </ul>	417,000 530,000 (lapsed)
<ul style="list-style-type: none"> <li>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.</li> </ul>	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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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	Exercise Price: Nil Fair Value 25.50
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:	
(i) risk-free interest rate	7.84% to 8.02%%
(ii) expected life	4 to 6 years
(iii) expected volatility	56.85%
(iv) expected dividends	0%
(v) the price of the underlying share in market at the time of option grant.	25.50

### 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](http://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](http://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.)
<b>Funds Raised:</b>	
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
<b>Total Funds raised</b>	<b>5,094,999,888</b>
<b>Utilisation:</b>	
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
<b>Total Utilisation</b>	<b>5,094,999,888</b>



**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, Practicing 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](http://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: allcompanysecrearyofrmgl@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				