



25/07/2018

To,
The National Stock Exchange of India Limited,
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai-400051

SUB.: Submission of Annual Report

Dear Sir,

With reference to the above captioned subject and pursuant to regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the soft copy of the Annual Report for the financial year 2017-18 duly approved and adopted by the shareholders of the Company as per the provisions of the Companies Act, 2013, at the 11th Annual general meeting held on 25th July, 2018.

Kindly take the above information on your record.

Thanking You,

Yours faithfully,

For, SAGARDEEP ALLOYS LIMITED


SATISH KUMAR MEHTA
Managing Director
(DIN: 01958984)



AN ISO 9001:2015 COMPANY

ANNUAL REPORT
2017-18

SAGARDEEP ALLOYS LIMITED



CORPORATE INFORMATION

Board of Directors

Mr.Satishkumar Asamal Mehta
Chairman & Managing Director
(Din: 01958984)
Mr.Jayeshkumar Ashmal Mehta
Whole-Time Director
(Din: 02156140)
Mr.Hemendra Bhailal Patel
Independent Director
(Din: 01827562)
Mrs.Vinita Pankaj Maheshwari
Independent Director
(Din: 07187365)
Mr.Jitendrakumar Dhanjibhai Patel
Independent Director (Din: 07369309)

Chief Financial Officer

Mr. Krishnakant Somani
(w.e.f 17th July, 2017)

Company Secretary & Compliance Officer

Ms. Barkha Deshmukh
(w.e.f 07th April, 2017)

Registered Office

205, Pittalaya Bumba, Nr. Madhuram
Cinema, Gheekanta, Ahmedabad-380001
Phone: 079- 25626304, 25626335
E- Mail: secretary@sdalloys.com,
investors@sdalloys.com
Website: www.sdalloys.com

Statutory Auditors

M/s. Piyush J Shah & Co
504-B, Shikhar Complex, Nr. Vadilal House,
Mithakali Six Roads, Navrangpura,
Ahmedabad-380009

Cost Auditor

M/s. Soni & Associates
A-234, Kamlapark Society, Cadila
Road, Ghodasar
Ahmedabad-380005

Banker

Axis Bank Limited

Registrar & share Transfer Agent

Link Intime India Private Ltd
C-101, 247 Park, L.B.S. Marg, Vikhroli
(West), Mumbai – 400 083

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NOTICE

(CIN: L29253GJ2007PLC050007)

NOTICE is hereby given that the 11th (Eleventh) Annual General Meeting of the Shareholders of SAGARDEEP ALLOYS LIMITED will be held on Wednesday, 25TH July, 2018 at the registered office 205, Pittalaya Bumba, Nr. Madhuram Cinema, Ghee Kanta, Ahmedabad-380001, Gujarat at 11.30 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt
 - a) the audited Standalone Financial Statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and
 - b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 and the reports of the Auditors thereon.
2. To appoint a Director in place of Mr. Jayeshkumar A Mehta (DIN: 02156140) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. To shift registered office of the Company

To consider and if thought fit to pass, with or without modification, the following resolution as a Special resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 12 (5) of the Companies Act, 2013 and all other applicable provisions, if any, read with the relevant Rules made thereunder, the consent of the members of the Company be and is hereby accorded to shift the registered office of the Company from “205, Pittalaya Bumba, Nr. Madhuram Cinema, Ghee Kanta, Ahmedabad-380001, Gujarat” to “Plot No.2070, Rajnagar Patiya, Santej Khatraj Road, Santej, Ta.-Kalol, Gandhinagar—382721, Gujarat” within the State of Gujarat.

Regd Office:
205, PITTALAYA BUMBA,
NR MADHURAM CINEMA, GHEE KANTA,
AHMEDABAD-01, GUJARAT

Date: 28/05/2018
Place: Ahmedabad

RESOLVED FURTHER THAT Board of directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the aforesaid resolution including filing necessary forms/ returns with the Ministry of Corporate Affairs, finalizing and executing necessary deeds, documents etc.”

4. Ratification of Remuneration of Cost Auditor of the Company.

To consider and if thought fit to pass, with or without modification, the following resolution as an ordinary resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re enactment thereof, for the time being in force, M/s Soni & Associates, Cost Accountants, Ahmedabad, the Cost Auditor appointed by the Board of Directors, to conduct the audit of the Cost Records of the Company for the financial year ending 31st March, 2019 be paid the remuneration of Rs.33,000/- plus applicable taxes and out of pocket expenses incurred by them during the course of Audit.

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to take such steps and actions as may be necessary for implementing the above resolution.”

***By Order of the Board of Directors
For, SAGARDEEP ALLOYS LIMITED***

*Satishkumar Mehta
Chairman & Managing Director
(DIN: 01958984)*

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote on a poll instead of himself / herself and such proxy / proxies need not be a member of the company. Duly completed instrument of proxies in order to be effective must be reached the registered office of the Company not less than 48 hours before the scheduled time of the meeting. 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, provided a member holding more 10%, of the total share capital may appoint a single person as proxy and such person shall not act as proxy for any other shareholder.
2. The statement pursuant to Section 102(1) of the Companies Act, 2013, which sets out details relating to the special business to be transacted at the meeting, is annexed hereto.
3. Electronic copy of the Annual Report for FY 2017-18 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purpose unless any member has requested for a Physical copy of the same.
4. Corporate members intending to send their authorised representative to attend the Meeting are requested to ensure that the authorised representative carries a certified copy of the Board resolution, Power of Attorney or such other valid authorizations, authorizing them to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 18th July, 2018 to Wednesday, 25th July, 2018 (both days inclusive).
6. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the AGM.
7. Members/ Proxies are requested to bring their attendance slip duly filled in long with copies of their annual report.
8. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Companies in which they hold directorships and memberships / chairmanships/ chairmanships of Board Committees as stipulated under Listing Obligation and Disclosure Regulations 2015 are provided in the annexure to the notice calling Annual General Meeting.
9. Members of the Company had approved the appointment of M/s. Piyush J Shah & Co., Chartered Accountants as the Statutory Auditors of the Company which is valid till Fourteenth AGM of the Company. In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
10. Members who hold the shares in the dematerialized form are requested to notify any change of address or bank mandates to their Depositories Participants with whom they are maintaining their demat accounts.
11. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company/ Registrar of any change in the address or demise of any member as soon as possible. Members are also advised not to leave their demat accounts dormant for long. Periodic statement of holding should be obtained from concerned Depository Participant and holdings should be verified.
12. The Company is having agreements with NSDL and CDSL to enable Members to have the option of dealing and holding the shares of the Company in electronic form. The ISIN of the equity shares of the Company is ***INE976T01013***.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their accounts.
14. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Also, no such provision is available in SME Equity Listing Agreement. Company is covered under Chapter XB as it is a SME Company and listed on NSE Emerge- the SME platform of National Stock Exchange of India Limited. Therefore Company is not providing e-voting facility to its shareholders.
15. Members are requested to address all correspondence, including change in their addresses, to the Company or to the Registrar and Share Transfer Agent, M/s. Link Intime (India) Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, E-mail: rnt.helpdesk@linkintime.co.in; Website www.linkintime.co.in. Members whose shareholding is in electronic mode are requested to approach their respective depository participants for effecting change of address.
 - The Shareholders are requested to update the Contact address and e-mail address and are requested to notify immediately any change in their address, exclusively on separate letter without clubbing it with any other request, for quicker attention directly to the Company's Share Transfer Agent.
16. All documents referred to in the accompanying notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.
17. Members desirous of getting any information on the Annual Accounts, at the Annual General Meeting, are requested to write to the Company at least 10 days in advance, so as to enable the Company to keep the information ready.
18. Notice of this Annual General Meeting, Audited Financial Statements for 2017-18 along with Directors' Report and Auditors' Report are available on the website of the Company -www.sdalloys.com.
19. The route map showing directions to reach the venue of the 11th AGM is annexed as per requirement of SS-2 on General Meetings.
20. As a part of "Green Initiative in the Corporate Governance", the Ministry of Corporate has permitted the companies to serve the documents, namely, Notice of General Meeting, Balance Sheet, Statement of Profit & Loss, Auditors' Report, Directors' Report etc. to the members through e-mail.
21. Pursuant to the prohibition imposed vide Section 118 of the Companies Act, 2013 read with Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, no gifts/coupons shall be distributed at the Meeting.

**BRIEF PROFILE OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AT THE 11th
ANNUAL GENERAL MEETING OF THE COMPANY**

(In pursuance of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Jayeshkumar Mehta
DIN	02156140
Date of Birth	03/08/1979
Date of Appointment	05/05/2008
Relationship Between Directors <i>inter se</i>	Son of Asamal Mehta; Brother of Satish A Mehta
Expertise in Specific functional area	Sales & Marketing
Qualification	HSC
Other Board Membership*	Nil
Committee Membership in other public companies	Nil
Number of Shares held in the Company	17,51,500 equity shares

**Pvt. Companies excluded*

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.3

As per the provision of section 12 of the Companies Act, 2013 read with rule 22 of Chapter VII relating to be procedure to be followed for shifting of registered office of Company outside the local limits of any city or town requires approval of the members by Special Resolution.

The Registered Office of the Company is presently situated at Ahmedabad. The Company's factory is situated at Plot No.2070, Rajnagar Patiya, Santej Khatraj Road, Santej, Ta.-Kalol, Gandhinagar—382721 therefore it would be easier and convenient to conduct company's day to day activities from factory only. With a view to improve the operational efficiency and for administrative convenience, the Board of Directors considered and subject to approval of the Members, approved the proposal for shifting the registered office to Santej in Gandhinagar. The proposed location is outside the local limits of Ahmedabad city and therefore requires approval of the Members by way of special resolution. If approved, the registered office will be moved to Plot No.2070, Rajnagar Patiya, Santej Khatraj Road, Santej, Ta.-Kalol, Gandhinagar—382721.

The Directors recommend the approval of the special resolution. None of the Directors and the

Regd Office:
205, PITTALAYA BUMBA,
NR MADHURAM CINEMA, GHEE KANTA,
AHMEDABAD-01, GUJARAT
Date: 28/05/2018
Place: Ahmedabad

Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Item No. 4

The Board at its meeting held on 28th May, 2018 on the recommendation of Audit Committee, has appointed M/s Soni & Associates, Cost Accountant, Ahmedabad as the Cost Auditor to conduct the audit of cost records of the Company for the financial year 2018-19 on a remuneration of Rs.33,000/- (excluding Taxes) plus reimbursement of out of pocket expenses and conveyance.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditor is required to be ratified by the shareholders of the Company. The Board recommends the aforesaid resolution for approval of the members.

None of the Directors of the Company, the key managerial personnel of the Company or their relatives are concerned or interested in the aforesaid resolution.

***By Order of the Board of Directors
For, SAGARDEEP ALLOYS LIMITED***

*Satishkumar Mehta
Chairman & Managing Director
(DIN: 01958984)*

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 11th Annual Report along with Audited Financial Statements of your Company for the financial year ended 31st March, 2018.

1. Financial Results

During the year under review, your Company has achieved a total net sale of Rs.6240.59 lakhs and achieved Net Profit after Tax (NP) of Rs.54.53 lakhs. There is notable increase in profit after tax during the current year in comparison to that of previous year. Your directors are optimistic about the performance of the Company in the coming years. The financial highlights for the year 2017-18 are as under:

Particulars for the year ended	March 31, 2018	March 31, 2017
Net revenue from Operations (Sales)	6240.59	7252.79
Profit Before Depreciation and Tax	117.73	84.39
Less: Depreciation	39.56	39.50
Profit Before Tax	78.17	44.89
Less: Tax Expense	23.34	17.73
Profit After Tax	54.53	27.16
EPS (Basic)	0.48	0.25
EPS (Diluted)	0.48	0.25

2. Dividend

Your Director feel that it is prudent to plough back the profits of the Company for future growth of the Company and therefore do not recommend any dividend for the year ended March 31, 2018.

3. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Since there was no unpaid/unclaimed dividend, the provision of Section 125 of the Companies Act, 2013 do not apply.

4. Change in the nature of business, if any-

During the year, the Company altered its Main Object Clause of the Memorandum of

Association of the Company through shareholders approval by postal ballot and the same became effective w.e.f. 28/11/2017. Through the said alteration, the Company added one new object to its main object clause apart from the existing one. The Company also adopted new set of memorandum of association which is in consonance with new Companies Act, 2013 and latest amendments.

5. Reserves

During the year under review, the Company has not transferred any amount to reserve.

6. Subsidiary, Joint Ventures and Associate Companies

The Company has one wholly owned Indian Subsidiary company i.e. Sagardeep Engineers Private Limited. A statement containing the salient features of financial statement of our subsidiaries in the prescribed format AOC-1 is appended to the financial statements of the Company.

7. Consolidated Financial Statement

The Financial Statement of the Company for the Financial year 2017-18 are prepared in compliance with the applicable provisions of the Act, Accounting Standards and as prescribed by Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statement has been prepared on the basis of the audited financial statement of the Company as approved by their respective Board of Directors. Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company, the Consolidated Financial Statements along with all relevant documents and Auditors report thereon form part of this Annual Report.

8. Public Deposit

The Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 (“the Act”) read with the Companies (Acceptance of Deposit) Rules, 2014 during the period under review. Hence, the requirement for furnishing the details of deposits which are not in compliance with Chapter V of the Act is not applicable.

9. Particulars of loan, Guarantees or Investment made under Section 186

During the year, the Company has not given any guarantee or provided security in connection with the loan to any other body corporate or person or made any investments however the Company has provided loans to persons/body corporates and the particulars of such loans, falling under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to financial statements of the Company

10. Extract of the annual return

The extract of the Annual Return in Form-9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in **Annexure A** and is attached to the report.

11. Directors & Key Management Personnel

1. Composition of Board & Board Meetings
The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. As on the date of this report, the Board comprises of 5(Five) Directors, out of which 2 are Executive Directors and 3 are non-executive Independent Directors that includes one Woman Director. The Chairman of the Board is an executive Director.

The Board of Directors duly met 6 times on 07/04/2017, 25/05/2017, 17/07/2017, 17/10/2017, 14/11/2017 and 07/03/2018 during the year. The Composition, category

and attendance of each Director at the Board and Annual General Meeting of each Director in various companies is as follows:-

Name of Director , Designation and Category	No of Board Meetings held during the year	No of Board Meetings attended during the year	Attendance at the AGM
Mr. Satishkumar A Mehta Chairman & Managing Director Promoter	6	4	Yes
Mr. Jayeshkumar A Mehta Whole Time Director Promoter	6	6	Yes
Mr. Hemendra B Patel Non-Executive Director Independent	6	6	Yes
Mrs. Vinita P Maheshwari Non-Executive Director Independent	6	6	Yes
Mr. Jitendra Patel Non-Executive Director Independent	6	6	Yes

// INDUCTIONS

The following appointments were made during the year

- Mr. Jitendrakumar Dhanjibhai Patel who was appointed as an additional independent director of the Company effective from 23/02/2017 was appointed as independent director by shareholders in their 10th Annual General meeting held on 21st September, 2017 for a period of five years.
- Ms. Barkha Deshmukh, a member of Institute of Company Secretaries of India was appointed as the Company Secretary and Compliance Officer of the Company effective from 07th April, 2017.
- Mr. Krishnakant Somani was appointed as the Chief Financial Officer of the Company effective from 17th July, 2017.

III. **CESSATIONS:**

- Mr. Dileep Panchal resigned as a company secretary and compliance officer of the company effective from 07th April, 2017.
- Mr. Hemang Panchal resigned as an independent director of the Company effective from 17th July, 2017.
- Mr. Asamal Mehta & Mr. Harishkumar Mehta resigned as Whole time directors of the Company effective from 17th July, 2017.
- Mr. Bhavik Somani resigned as Chief Financial Officer of the Company effective from 17th July, 2017.

IV. **Retirement by Rotation**

In accordance with the provisions of the Companies Act 2013 and Companies Articles of Association, Mr. Jayeshkumar A Mehta (DIN-02156140) retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment. Necessary resolution for his re-appointment is placed before the shareholder for approval.

V. **Profile of Directors seeking appointment / reappointment**

As required under regulation 36(3) of SEBI (LODR), 2015, particulars of the Directors retiring and seeking reappointment at the ensuing Annual General Meeting is annexed to the notice convening 11th Annual General Meeting.

VI. **Key Managerial Personnel**

As on the date of this report, the following persons are the Key Managerial Personnel(s) of the Company:

- a) Mr. Satishkumar A Mehta, Chairman & Managing Director
- b) Mr. Jayeshkumar A Mehta, Whole Time Director

- c) Mr. Krishnakant Somani, Chief Financial Officer
- d) Ms. Barkha Deshmukh, Company Secretary

VII. **Declaration from Independent Director**

All the Independent Directors of the Company have given their declarations stating that they meet the criteria of independence as prescribed under the Section 149(6) of the Companies Act, 2013 read with the rules made there under and in the opinion of the Board, the Independent Directors meet the said criteria.

During the year under review the Independent Directors duly met pursuant to the provisions as specified in Schedule IV of the Companies Act, 2013 and the quorum was present throughout the meeting.

12. **Postal ballot**

During the year, pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) made thereunder), your Company passed the following resolution through postal ballot as per the details below:

Date of Postal ballot Notice: 17/07/2017
 Date of declaration of result: 30/11/2017
 Voting period: 30/10/2017 to 28/11/2017
 Date of approval: 28/11/2017

Name of resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
			No. of votes	%	No. of votes	%
Alteration in main object clause of Memorandum of Association	Special	8743600	8743600	100	0	0

Adoption of new Memorandum of Association of the Company	Special	8743600	8743600	100	0	0
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13. Audit Committee

The Audit Committee is duly constituted in accordance with SEBI (LODR) Regulations 2015 and Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. It adheres to the terms of reference which is prepared in compliance with Section 177 of the Companies Act, 2013, and SEBI (LODR) Regulations 2015. The Members of the Committee are:-

Name Category & Position	Number of meetings held	Number of meetings attended
Mr. Jitendrakumar Patel Non Executive Independent Director Chairman	4	4
Mrs. Vinita Maheshwari Non Executive Independent Director Member	4	4
Mr. Satishkumar A Mehta Executive Director Member	4	3

Two third of the members are Independent Directors and all the members are financially literate. The composition, role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Audit Committee shall oversee financial reporting process and disclosures, review financial statements, internal audit reports, related party transactions, financial and risk management policies, auditors qualifications, compliance with Accounting Standards etc. and oversee compliance with Stock Exchanges and legal

requirements concerning financial statements and fixation of audit fee as well as payment for other services etc.

Four Audit Committee meetings were held during the year 2017-18 at the Registered Office of the Company on 25/05/2017, 13/07/2017, 14/11/2017, 07/03/2018. The Company Secretary acts as Secretary to the Audit Committee and no personnel has been denied access to the Audit Committee.

14. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in accordance with SEBI (LODR) Regulations 2015 and Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 as amended from time to time. The Company Secretary acts as the Secretary to the committee and the Committee Members are:

Name Category & Position	Number of meetings held	Number of meetings attended
Mr. Jitendrakumar Patel Non Executive Independent Director Chairman	2	2
Mrs. Vinita Maheshwari Non Executive Independent Director Member	2	2
Mr. Hemendra B Patel Non Executive Independent Director Member	2	2

The Board has in accordance with the provisions of sub-section (3) of Section 178 of the Companies Act, 2013, formulated the policy setting out the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration of Directors, Key Managerial Personnel and other employees. The said policy is available on the website of the Company (www.sdalloys.com).

Two meeting was held during the year 2017-18 at the Registered Office of the Company on 07/04/2017 and 17/07/2017.

15. Stakeholders Relationship Committee

The Stakeholders Relationship Committee is constituted in compliance with the requirements of Section 178 of the Companies Act, 2013. Company Secretary is the Compliance Officer, who acts as the Secretary to the Committee and the Members of the Committee are:

Name	Category	Position
Mrs. Vinita P Maheshwari	Non Executive Independent Director	Chairman
Mr. Hemang M Panchal	Non Executive Independent Director	Member
Mr. Satishkumar A Mehta	Executive Director	Member

The Stakeholders Relationship Committee looks into shareholders' complaints related to transfer of shares, non-receipts of balance sheet besides complaints from SEBI, Stock Exchanges, Court and various Investor Forums. It oversees the performance of the Registrars and Transfer Agent, and recommends measures for overall improvement in the quality of investor services. The Company is in compliance with the SCORES, which has initiated by SEBI for processing the investor complaints in a centralized web based redress system and online redressal of all the shareholders complaints.

16. Compliance Officer

The Compliance officer of the Company is Ms. Barkha Deshmukh, who is also designated as Company Secretary of the Company.

17. Statement On Formal Annual Evaluation Of Board

Nomination and Remuneration Committee annually evaluates the performance of individual Directors, Committees, and of the

Board as a whole in accordance with the formal system adopted by it. Further, the Board also regularly in their meetings held for various purposes evaluates the performance of all the Directors, committees and the Board as a whole. The Board considers the recommendation made by Nomination and Remuneration Committee in regard to the evaluation of board members and also tries to discharge its duties more effectively. Each Board member's contribution, their participation was evaluated and the domain knowledge they bring. They also evaluated the manner in which the information flows between the Board and the Management and the manner in which the board papers and other documents are prepared and furnished.

18. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date or report.

19. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future.

20. Auditors

1. Statutory Auditors

M/s. Piyush J Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, were reappointed at the 09th

Annual General Meeting held on 30th September 2016 to hold office from the conclusion of Ninth (9th) Annual General Meeting (AGM) till the conclusion of 14th Annual General Meeting to be held in the year 2021 (subject to ratification of their appointment at every AGM).

In accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

There are no qualifications, reservations or adverse remarks made by M/s. Piyush J Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, in their report.

2. Cost Auditors

As per the provisions of Section 148 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 framed thereunder and the Cost Audit orders issued from time to time, the Board of Directors in their meeting held on 17.07.2017 has appointed M/s. Soni & Associates, Cost Accountants (FRN 102850) as Cost Auditor of the Company for the financial year 2017-18. Further, the remuneration of the Cost Auditor was ratified by members of the Company in their annual general meeting held on 21.09.2017.

3. SECRETARIAL AUDITOR

M/s. Khandelwal Devesh & Associates, Company Secretaries, Ahmedabad were appointed as Secretarial Auditor of the Company to conduct secretarial audit pursuant to the provisions of Section 204 of the Companies Act, 2013. The secretarial audit of the Company has been conducted on a concurrent basis in respect of the matters as set out in the said rules and Secretarial Audit Report given by M/s. Khandelwal Devesh & Associates, Company Secretaries, Secretarial Auditor of the

Company forms part of this report and is marked as **Annexure-“B”**.

There are no qualifications, reservations or adverse remarks made by M/s. Khandelwal Devesh & Associates, Company Secretaries, Secretarial Auditor of the Company, in their report.

21. Personnel

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Report and marked as **Annexure-“C”**. No employee of the Company was in receipt of the remuneration exceeding the limits prescribed in the rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

22. Management’s Discussion and Analysis Report

The Management’s Discussion and Analysis Report for the year under review, as stipulated under Regulation 34 (2) (e) of the Listing Regulations is given as **Annexure-“D”** to this report.

23. Corporate Social Responsibility (CSR)

The provisions of Corporate Social Responsibility (CSR) are not applicable to the Company.

24. Conservation of energy, technology absorption and foreign exchange earnings and outgo

- A. CONSERVATION OF ENERGY:**
- i. the steps taken or impact on conservation of energy : **Nil**
 - ii. the steps taken by the company for utilising alternate sources of energy : **None**
 - iii. the capital investment on energy conservation equipments : **Nil**

B. TECHNOLOGY ABSORPTION:

- i. the efforts made towards technology absorption : **None**
- ii. the benefits derived like product improvement, cost reduction, product development or import substitution : **None**
- iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
 - a) the details of technology imported : **None**
 - b) the year of import : **N.A.**
 - c) whether the technology been fully absorbed : **N.A.**
 - d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof : **N.A.**
 - e) the expenditure incurred on Research and Development : **Nil**

C. Foreign exchange Earnings & Outgo

- Foreign Exchange Earning: **NIL**
- Foreign Exchange Outgo: **Rs.25,41,836/-**

24. Particulars of contracts or arrangements with related parties:

The Company has no material significant transactions with its related parties which may have potential conflict with the interest of the Company at large.

25. Statement regarding the development and implementation of Risk Management Policy

The Company has not developed and implemented any risk management policy as the risk threatening the business activity carried out by the Company during the year are minimal.

26. Prevention Of Sexual Harassment At Workplace

As per the requirement of The Sexual Harassment of Women at Workplace

(Prevention, Prohibition & Redressal) Act, 2013 and rules made thereunder, your Company has constituted Internal Complaints Committee (ICC) which is responsible for redressal of complaints related to sexual harassment.

Your Directors declared and confirm that, during the year under review, there is no case filed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

27. Adequacy of Internal Financial Control

The Company has in place adequate internal financial controls with reference to financial statements. The Board has inter alia reviewed the adequacy and effectiveness of the Company's internal financial controls relating to its financial statements.

During the year, no reportable material weakness was observed.

28. Directors' Responsibility Statement

In terms of Section 134 (5) of the Companies Act, 2013, the directors would like to state that:

(a) In the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 and loss of the Company for that period under review.

(c) The directors 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.

(d) The directors have prepared the annual accounts on a going concern basis.

(e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

(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.

29. Listing

The equity shares of the Company are listed on SME platform of NSE (NSE EMERGE) and the Company has paid the annual listing fees for the year 2018-19.

30. Corporate Governance

Your Company has been complying with the principals of good Corporate Governance over the years and is committed to the highest standards of compliance. Pursuant to regulation 15(2) of the SEBI (LODR) Regulations 2015, the compliance with the corporate governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and para C, D and E of schedule V shall not apply to the listed entity which has listed its specified securities on the SME Exchange.

Date: 28/05/2018

Place: Ahmedabad

Therefore, the Corporate Governance Report is not applicable on the Company and therefore not provided by the Board.

31. **Acknowledgement:** The Directors place on record their sincere thanks to the Bankers, business associates, consultants, customers, and employees for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed on your Company.

For and on behalf of board of directors

Satishkumar A Mehta
Chairman & Managing Director
(DIN: 01958984)

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN OF SAGARDEEP ALLOYS LIMITED

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

<i>Sr No.</i>	<i>CIN</i>	<i>U29253GJ2007PLC050007</i>
1	Registration Date	13/02/2007
2	Name of the Company	Sagardeep Alloys Limited
3	Category/Sub-category of the Company	Company Limited by shares
4	Address of the Registered office & contact details	205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad-380001, Gujarat
5	Whether listed company	Yes
6	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Linkintime Private limited C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

<i>S. No.</i>	<i>Name and Description of main products / services</i>	<i>NIC Code of the</i>	<i>% to total turnover of the</i>
1	Manufacture of Basic precious and Non ferrous- alloys	2720	58.93%
2	Whole sale of Metals and Metal Ores	5142	41.07%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name & Address of the Company	CIN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section under
1	Sagardeep Engineers Private Ltd	U29100GJ2011PTC063479	Wholly Owned Subsidiary	100	2(87) (ii)

IV. SHARE HOLDING PATTERN

Category of Shareholder	No. of Shares held at the beginning of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	7738100	-	7738100	68.05	7738100	-	7738100	68.05	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporation	633500	-	633500	5.57	633500	-	633500	5.57	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	8371600	-	8371600	73.62	8371600	-	8371600	73.62	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non--Institutions									
a) Bodies Corp.									

i) Indian	150000	-	150000	1.31	126000	-	126000	1.10	(0.21)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	378000	-	378000	3.32	312000	-	312000	2.74	(0.58)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2406000	-	2406000	21.16	2502000	-	2502000	22.00	0.84
c) Others (specify) HUF	66000	-	66000	0.58	60000	-	60000	0.53	(0.05)
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	3000000	-	3000000	26.38	3000000	-	3000000	26.38	26.38
Total Public Shareholding (B)=(B)(1)+(B)(2)	3000000	-	3000000	26.38	3000000	-	3000000	26.38	26.38
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11371600	-	11371600	100	11371600	-	11371600	100	-

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Asamal S Mehta	1466950	12.90	-	1466950	12.90	-	-
2	Harish A Mehta	128000	1.13	-	128000	1.13	-	-
3	Jayeshkumar A Mehta	1751500	15.40	-	1751500	15.40	-	-
4	Satishkumar A Mehta	1578550	13.88	-	1578550	13.88	-	-
5	Aashmalji Siremalji Mehta (Huf)	549000	4.83	-	549000	4.83	-	-
6	Jayesh Ashmalji Mehta HUF	207000	1.82	-	207000	1.82	-	-
7	Satish A Mehta HUF	219000	1.92	-	219000	1.92	-	-
8	Ramesh Asamal Mehta	102000	0.89	-	102000	0.89	-	-
9	Rekha Jayesh Mehta	287000	2.52	-	287000	2.52	-	-
10	Rinika Harish Mehta	79000	0.69	-	79000	0.69	-	-
11	Sangita Satishkumar Mehta	329500	2.89	-	329500	2.89	-	-
12	Ugamdevi A Mehta	1040600	9.15	-	1040600	9.15	-	-
13	Sagardeep Engineers Pvt Ltd	633500	5.57	-	633500	5.57	-	-

C) Change in Promoter's Shareholding (please specify, if there is no change)

Sr. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	8371600	73.62	8371600	73.62
	Transfer during the year	No change			
	At the end of the year	8371600	73.62	8371600	73.62

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	ASHOK DEVJIBHAI PARMAR				
	At the beginning of the year	660000	5.80	660000	5.80
	Transfer during the year	-	-	660000	5.80
	At the end of the year	660000	5.80	660000	5.80
2.	SIDDHI SURESHKUMAR SHAH				
	At the beginning of the year	312000	2.74	312000	2.74
	Transfer during the year	-	-	312000	2.74
	At the end of the year	312000	2.74	312000	2.74
3.	INANI SURESHKUMAR R				
	At the beginning of the year	222000	1.95	222000	1.95
	Transfer during the year	-	-	222000	1.95
	At the end of the year	222000	1.95	222000	1.95
4.	JASHWANTLAL MANILAL PATEL				
	At the beginning of the year	132000	1.16	132000	1.16
	Transfer during the year	-	-	132000	1.16
	At the end of the year	132000	1.16	132000	1.16
5.	NILESH JASHVANTLAL PATEL				
	At the beginning of the year	132000	1.16	132000	1.16
	Transfer during the year	-	-	132000	1.16
	At the end of the year	132000	1.16	132000	1.16
6.	INNOVATE SECURITIES PVT. LTD.				
	At the beginning of the year	150000	1.32	150000	1.32
	Purchase on 21/07/2017	6000			
	Purchase on 01/09/2017	6000			
	Purchase on 03/11/2017	6000		168000	1.47
	Sell on 01/12/2017,	54000		156000	1.37
	Sell on 08/12/2017	6000		114000	1.00
	Purchase on 12/01/2018	6000		114000	1.00
	Purchase on 16/03/2018	12000		126000	1.10
	At the end of the year	126000	1.10	126000	1.10
7.	MUKESH S INANI				
	At the beginning of the year	78000	0.68	78000	0.68
	Transfer during the year	-	-	78000	0.68
	At the end of the year	78000	0.68	78000	0.68
8.	SIMA MUKESH INANI				
	At the beginning of the year	72000	0.63	72000	0.63
	Transfer during the year	-	-	72000	0.63
	At the end of the year	72000	0.63	72000	0.63

9.	SHYAMSUNDER KRISHNAGOPAL KALYA				
	At the beginning of the year	72000	0.63	72000	0.63
	Transfer during the year	-	-	72000	0.63
	At the end of the year	72000	0.63	72000	0.63
10.	KAVITA LADULAL INANI				
	At the beginning of the year	60000	0.53	60000	0.53
	Transfer during the year	-	-	60000	0.53
	At the end of the year	60000	0.53	60000	0.53

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	DIRECTORS				
1	Satishkumar Asamal Mehta				
	At the beginning of the year	1578550	13.88	1578550	13.88
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1578550	13.88	1578550	13.88
2	Jayeshkumar A Mehta				
	At the beginning of the year	1751500	15.40	1751500	15.40
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1751500	15.40	1751500	15.40
3	Hemendra B Patel	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
4	Vinita P Maheshwari	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
5	Jitendrakumar Patel				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
6	Krishnakant Somani	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

7	Barkha Deshmukh	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

V. INDEBTEDNESS

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

<i>Particulars</i>	<i>Secured Loans excluding deposits</i>	<i>Unsecured Loans</i>	<i>Deposits</i>	<i>Total Indebtedness</i>
Indebtedness at the beginning of the financial year				
i) Principal Amount	933.69	-	-	933.69
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	933.69	-	-	933.69
Change in Indebtedness during the financial year				
* Addition	53.39	-	-	53.39
* Reduction	7.18	-	-	7.18
Net Change	46.21	-	-	46.21
Indebtedness at the end of the financial year				
i) Principal Amount	979.90	-	-	979.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	979.90	-	-	979.90

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

<i>SN.</i>	<i>Particulars of Remuneration</i>	<i>Name of MD/WTD/ Manager</i>				<i>Total Amount</i>
		<i>Satish A Mehta (MD)</i>	<i>Asamal Mehta#</i>	<i>Jayesh A Mehta (WTD)</i>	<i>Harish Mehta#</i>	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,00,000/-	2,25,000/-	9,00,000/-	2,25,000/-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-		
3	Sweat Equity	-	-	-		

4	Commission- as % of profit - others, specify...	-	-	-		
5	Others, please specify	-	-	-		
	Total (A)	9,00,000/-	2,25,000/-	9,00,000/-	2,25,000/-	
	Ceiling as per the Act*					84.00lacs

Ceased to be Whole-time Directors w.e.f 17/07/2017

* Due to inadequacy of Profit for the year 2017-18 & pursuant to Section 197 of the Companies Act, 2013 & Schedule V, the ceiling limit is being calculated amounting to Rs.84 Lacs on the basis of effective capital given in the Part –II of Schedule V.

B. Remuneration to other directors

Sr No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Hemendra B Patel	Mr. Jitendrakumar Patel	Mrs. Vinita P Maheshwari	
1	Independent Directors	√	√	√	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	Rs. 1,00,000/- per meeting			

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

Sr No	Particulars of Remuneration	Key Managerial Personnel		
		CFO Mr. Krishnakant Somani	CS Ms. Barkha Deshmukh	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	234000	240000	474000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others, specify...	-	-	-
5	Others, please specify			
	Total	234000	240000	474000

VII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NONE		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NONE		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment					
Compounding					

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Sagardeep Alloys Limited
Ahmedabad, Gujarat.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SAGARDEEP ALLOYS LIMITED** (CIN: L29253GJ2007PLC050007) (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2018** ('Audit Period') **complied** with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2018** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. *(not applicable to the company during the audit period)*
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 *(not applicable to the company during the audit period)*
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 *(not applicable to the company during the audit period);*
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 *(not applicable to the company during the audit period);*
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 *(not applicable to the company during the audit period);*

I have relied on the representations made by the Company and its officers for systems and mechanism formed by the Company for compliances of other specific applicable Acts, Laws and Regulations to the Company as mentioned hereunder;

- a) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- b) Employees' State Insurance Act, 1948
- c) The Factories Act, 1948
- d) The Minimum Wages Act, 1948, and rules made there under

I have also examined compliance with the applicable Clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board take decision by majority of directors while the dissenting directors' views are captured and recorded as part of the minutes.

I further report that:

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and guidelines.

I further report that there were no other instances of:

- (i) Public/Rights/Preferential issue of Shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- (iii) Merger/ amalgamation etc.
- (iv) Foreign technical collaborations.

For, **Khandelwal Devesh and Associates**,
Company secretaries,

Devesh Khandelwal
Proprietor
FCS: 6897,
COP No.:4202

Place: Ahmedabad

Date:28/05/2018

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

Annexure to Secretarial Audit Report

To,
The Members,
Sagardeep Alloys Limited
Ahmedabad, Gujarat.

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I

believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representations about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For, **Khandelwal Devesh and Associates,**
Company Secretaries,

Devesh Khandelwal
Proprietor
FCS: 6897,
COP No.:4202

Place: Ahmedabad
Date:28/05/2018

Annexure-“C”

The ratio of the remuneration of each director to the median employee’s remuneration and other details in terms of sub-section 12 of Section 197 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr.No.	Requirements	Disclosure	
I.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	MD	5.50times
		WTD	5.50times
II.	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	No increase	
III.	The percentage increase in the median remuneration of employees in the financial year	No increase	
IV.	The number of permanent employees on the rolls of the Company as on 31 st March, 2018	15	
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	Nil	
VI.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, it is confirmed	

MANAGEMENT’S DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENT

The size of Indian copper industry (consumption of refined copper per annum) is around half a million tones which constitutes only 3 percent of the world copper market. Sterlite Industries, Hindalco Industries and Hindustan Copper are major producers of refined copper in India. India has emerged as net exporter of copper from the status of net importer on account of rise in production. In fact, copper as a metal came in use of man much earlier than iron. Copper has been used for making utensils and coins since long. Being a good conductor of electricity and ductile, it is extensively used in a vast variety of electrical machinery, wires and cables. It is also an important metal used by automobile and defense industries. Further, it is alloyed with iron and nickel to make stainless steel, with nickel to make ‘morel metal’ and with aluminium to make ‘duralumin’. When alloyed with zinc it is known as ‘brass’ and with tin ‘bronze’. Copper ore is found in ancient as well as in younger rock formations and occurs as veins, as dissemination and as bedded deposits. Mining for copper is a costly and a tedious affair because most of the copper ores contain a small percentage of the metal. Against the international average of metal content (in the ore) of 2.5 per cent, Indian ore grade averages less than one per cent.

OPPORTUNITIES AND THREATS

Our success as an organization depends on our ability to identify opportunities and leverage them while mitigating the risks that arise while conducting our business. During the financial year 2017-18, major decision of indulging into different business activities was taken in order to widen the operation of the Company. Looking into the opportunities into new business line, your directors are optimistic about future expansion and growth of our Company. Despite of identifying opportunities, there is always risk associated to it like Competition, General Economic and Business Conditions, legal and regulatory compliance etc.

OUTLOOK, RISKS & CONCERNS

Our Outlook, risks and concerns are as follows:

- A large part of our revenue depends on our top clients and loss of any one of major client may lead to negative impact on our business.
- Our success depends on our top management and key personnel and our ability to attract and retain them.
- Changes in policies of government of India or political instability may adversely affect economic conditions in India, which may lead to negative impact on our business.
- Any natural calamities such as earthquakes, storms, fire etc. may tend to affect our operational efficiency negatively.

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has an adequate internal control system commensurate with its size and the nature of its business in order to achieve efficiency in operation and optimum utilization of resources. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

FINANCIAL AND OPERATIONAL PERFORMANCE

(Amount In ` lacs)

Particulars for the year ended	March 31, 2018	March 31, 2017
Net revenue from Operations (Sales)	6240.59	7252.79
Profit Before Depreciation and Tax	117.73	84.39
Less: Depreciation	39.56	39.50
Profit Before Tax	78.17	44.89
Less: Tax Expense	23.34	17.73
Profit After Tax	54.53	27.16
EPS (Basic)	0.48	0.25
EPS (Diluted)	0.48	0.25

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The industrial relations remained cordial throughout the year. The employees of the Company have extended a very productive cooperation in the efforts of the management to carry the Company to greater heights. Continuous training down the line is a normal feature in the Company to upgrade the skills and knowledge of the employees and workmen of the Company.

CAUTIONARY STATEMENT

Statement in this report describing the Company's objectives, expectations or predictions may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the company's operations include economic conditions affecting demand / supply and price condition in the domestic markets in which the company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

Date: 28/05/2018
Place: Ahmedabad

For and on behalf of the Board of Directors
Satishkumar Mehta
Chairman & Managing Director
(DIN: 01958984)

INDEPENDENT AUDITORS' REPORT

TO,
THE MEMBERS OF
SAGARDEEP ALLOYS LIMITED

Opinion

We have audited the accompanying standalone financial statements of **SAGARDEEP ALLOYS LIMITED** (“the Company”), which comprise the Balance Sheet as at **31st March, 2018**, the Profit and Loss Statement, the Cash Flow Statement for the Period ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit and its cash flows for the year/period ended on that date.

Basis of Our Opinion

We conducted our audit in accordance with the standard on auditing (SAs) specified under section 143(10) of the companies act, 2013. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the code ethics issued by the institute of chartered accountants of India together with ethical requirements that are relevant to our audit of financial statement under the provisions of the companies act, 2013 and rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

MANAGEMENT’S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and

application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the standalone financial statements.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) Not Applicable;
- d) the balance sheet, the statement of profit and loss dealt with by this Report are in agreement with the books of account;
- e) In our opinion, the aforesaid financial statements comply with the Accounting Standards

specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

- f) Not Applicable
- g) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- h) Not Applicable
- i) In our opinion, the company has adequate internal financial control system in place and operating effectively.
- j) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.
 1. The company has disclosed the impact of pending litigation on its financial position in its financial statement, if any.
 2. The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 3. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company, if any.

For Piyush J. Shah & Co.
Chartered Accountants
FRN: 121172W

Piyush J. Shah
Partner
M. No: 108670
Place: Ahmedabad
Date: 28th May, 2018

Annexure - A to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the Period 01-04-2017 to 31-03-2018, we report that:

- i)
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The title deeds of immovable properties are held in the name of the company.
- ii) The Inventories have been physically verified during the year by the management. In our opinion and according to the information and explanations given to us, the company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to book records and the same has been properly dealt with in books of accounts.
- iii) The Company had not granted loan to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
 - (a) Not Applicable
 - (b) Not Applicable
 - (c) Not Applicable
- iv) In our opinion and according to the information and explanations given to us in respect of loans, investments, guarantees, and security provisions of section 185 and 186 of the Companies Act, 2013 had been complied with.
- v) The company had not accepted any deposits from public, therefore the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, is not applicable.
- vi) The Central Government had prescribed the maintenance of cost records under section 148(1) of the Act, for the goods supplied by the Company. In our opinion and according to the information and explanations given to us the company had maintained proper cost records.
- vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to explanations given to us the following dues of sales tax have not been deposited by the company on account of dispute:

Name of Statute	Nature of Dues	Amount (In `)	Period to which Relates	Forum Where Dispute is pending
Gujarat VAT Act	Sales Tax, Interest and Penalty	23,28,175/-	2009-10	DCCT-A
Gujarat VAT Act	Sales Tax, Interest and Penalty	4,82,00,824/-	-	Tribunal
Gujarat VAT Act	Sales Tax, Interest and Penalty	1,83,85,414/-	2010-11	DCCT-A
Gujarat VAT Act	Sales Tax, Interest and Penalty	40,96,251/-	2011-12	DCCT-A
Gujarat VAT Act	Sales Tax, Interest and Penalty	80,758,272/-	2013-14	DC-Appeal-1

- viii) The company had not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- ix) According to the information and explanations given to us the company had not raised any money by way of Initial Public Offer or Further Public Offer and term loans.
- x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us, managerial remuneration had been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii) In our opinion the company is not nidhi company. Therefore the provisions as mentioned in the Nidhi Rules, 2014 are not applicable to the company.

- xiii) In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us, the company had not made preferential allotment of shares during the year/period under review and the requirement of section 42 of the Companies Act, 2013 and other provisions are not applicable.
- xv) According to the information and explanations given to us the company had not entered into any non-cash transactions with directors or persons connected with him.
- xvi) In our opinion, the company is not a Non Banking Finance Company, therefore the requirement to register under section 45-IA of the Reserve Bank of India Act, 1934 is not applicable.

For Piyush J. Shah & Co.
Chartered Accountants
FRN: 121172W

Piyush J. Shah
Partner
M. No: 108670
Place: Ahmedabad
Date: 28th May, 2018

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

We have audited the internal financial controls over financial reporting of **Sagardeep Alloys Limited** (“the Company”) as of **31st March, 2018** in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Piyush J. Shah & Co.

Chartered Accountants

FRN: 121172W

Piyush J. Shah

Partner

M. No: 108670

Place: Ahmedabad

Date: 28th May, 2018

Standalone Balance Sheet as at 31st March, 2018

Particulars	Note	AMOUNT IN Rs. 31-Mar-18	AMOUNT IN Rs. 31-Mar-17
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	02	113,716,000	113,716,000
(b) Reserves and surplus	03	130,287,621	124,834,574
		244,003,621	238,550,574
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	04	256,871	1,053,410
(b) Deferred Tax Liability (Net)	05	5,598,324	5,436,975
(c) Long Term Provisions	06	-	-
(d) Other Non current liabilities		-	-
		5,855,195	6,490,385
4 Current liabilities			
(a) Short Term Borrowings	07	96,936,927	91,598,267
(b) Trade payables	08	51,024,382	153,696,690
(c) Other Current Liabilities	09	924,873	1,361,294
(d) Short term Provisions	10	462,435	127,823
		149,348,617	246,784,074
		399,207,433	491,825,033
II ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		50,698,887	54,383,379
(ii) Intangible assets			
(iii) Capital work-in-progress		12,660,786	11,014,400
(iv) Intangible assets under development			
(b) Non-current Investments	12	51,620,000	51,620,000
(c) Long - Term Loans and Advances	13	1,834,570	1,834,570
(d) Other Non-current Assets		-	-
		116,814,243	118,852,349
2 Current assets			
(a) Inventories	14	55,906,548	31,641,137
(b) Trade receivables	15	150,419,101	273,389,330
(c) Cash and cash equivalents	16	1,738,282	7,048,064
(d) Short-term loans and advances	17	41,269,877	14,011,228
(e) Other current assets	18	33,059,382	46,882,925
		282,393,190	372,972,684
		399,207,433	491,825,033

Summary of significant accounting policies

1 to 37

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Piyush J. Shah & Co.
FRN : 121172W
Chartered Accountants

For SagarDeep Alloys Limited

Piyush J. Shah
Partner
No. : 108670
Place : Ahmedabad
Date : 28th May 2018

Satish Mehta
Chairman & Managing Director
DIN – 01958984

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Krishnakant Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

Standalone Statement of Profit and loss for the year ended 31st March, 2018

Particulars	Note	AMOUNT IN Rs. 31-Mar-2018	AMOUNT IN Rs. 31-Mar-2017
I. Revenue From Operations			
Sales	19	624,059,395	725,279,693
		624,059,395	725,279,693
II. Other Income	20	2,327,782	1,020,418
III. Total Revenue (I + II)		626,387,177	726,300,111
IV. Expenses:			
Cost of materials consumed	21	340,176,727	148,054,010
Purchase of Stock In Trade	22	247,692,764	520,968,537
Changes in Inventories	23	(6,265,763)	3,864,434
Employee benefits expenses	24	6,405,367	6,029,035
Finance costs	25	8,821,978	14,630,927
Depreciation and amortization expense			
(i) Depreciation for the year		3,956,827	3,950,679
(ii) Preliminary Expenses W/off		-	-
Other expenses	26	17,782,801	24,313,324
Total expenses		618,570,701	721,810,946
V. Profit before exceptional and extraordinary items		7,816,476	4,489,165
VI. Exceptional items			
Prior Period Expenses		28,478	-
VII. Profit before extraordinary items and tax (V - VI)		7,787,998	4,489,165
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		7,787,998	4,489,165
X. Tax expense:			
(1) Current tax		2,173,602	966,016
(2) Deferred tax		161,349	807,086
(3) Short / (Excess) Provision		-	-
XI. Profit (Loss) for the period		5,453,047	2,716,063
XII. Earnings per equity share:	27		
(1) Basic			
(i) Before Extraordinary Items		0.48	0.25
(ii) After Extraordinary Items		0.48	0.25
(2) Diluted			
(i) Before Extraordinary Items		0.48	0.25
(ii) After Extraordinary Items		0.48	0.25

Summary of significant accounting policies

1 to 37

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Piyush J. Shah & Co.
FRN : 121172W
Chartered Accountants

For SagarDeep Alloys Limited

Piyush J. Shah
Partner
No. : 108670
Place : Ahmedabad
Date : 28th May 2018

Satish Mehta
Chairman & Managing Director
DIN – 01958984

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Krishnakant Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2018

PARTICULARS	AMOUNT IN Rs. 31-Mar-2018	AMOUNT IN Rs. 31-Mar-2017
Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	7,787,998	4,489,165
Adjusted for:		
Depreciation & amortization	3,956,827	3,950,679
Interest income on loans & advances given	(848,892)	(771,172)
Net (gain) / loss on Foreign Exchanges	978,890	-
Interest & finance costs	8,821,978	14,630,927
Operating cash flow before working capital changes	20,696,801	22,299,599
Adjusted for:		
(Increase)/ decrease in Inventories	(24,265,411)	3,591,386
(Increase)/ decrease in trade receivables	122,970,229	(41,833,266)
Increase/ (decrease) in trade payables	(102,672,308)	103,515,946
Increase/ (decrease) in other current assets	13,823,543	-
Increase/ (decrease) in other current liabilities	(436,421)	(42,382,514)
Increase/ (decrease) in long term provisions	-	-
Increase/ (decrease) in short term provisions	(638,990)	(45,046)
Cash generated from / (used in) operations	29,477,443	45,146,105
Income taxes paid	(1,200,000)	(1,209,030)
Net cash generated from/ (used in) operating activities [A]	28,277,443	43,937,075
Cash flow from investing activities:		
Purchase of fixed assets	(1,918,721)	(2,183,667)
Interest income on loans & advances given	848,892	771,172
(Increase)/ decrease in long term loans and advances	-	-
(Increase)/ decrease in short term loans and advances	(27,258,649)	(41,177,759)
Net cash flow from/(used) in investing activities [B]	(28,328,478)	(42,590,254)
Cash flow from financing activities:		
Increase in / Repayment of Long-Term Borrowings	(796,539)	(717,363)
Increase in / Repayment of Short-Term Borrowings	5,338,660	(40,787,176)
Interest & finance costs	(8,821,978)	(14,630,927)
Net (gain) / loss on Foreign Exchanges	(978,890)	-
Proceeds from the Issue of Shares	-	58,628,560
Net cash flow from/(used in) financing activities [C]	(5,258,747)	2,493,094
Net increase/(decrease) in cash & cash equivalents [A+B+C]	(5,309,782)	3,839,915
Cash & cash equivalents as at beginning of the period	7,048,064	3,208,149
Cash & cash equivalents as at end of the period (Refer Note : 16)	1,738,282	7,048,064

Summary of significant accounting policies

1 to 37

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Piyush J. Shah & Co.
FRN : 121172W
Chartered Accountants

For SagarDeep Alloys Limited

Piyush J. Shah
Partner
No. : 108670
Place : Ahmedabad
Date : 28th May 2018

Satish Mehta
Chairman & Managing Director
DIN – 01958984

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Krishnakant Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

01 **Significant Accounting Policies on Standalone Financial Statements**

(i) **Basis of Accounting Policy**

The Standalone Financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAPP), including the Accounting standards referred to in Section 133 of the Companies Act, 2013 or Section 211 (3C) of the Companies Act, 1956.

The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

(ii) **Revenue Recognition**

Revenue is primarily derived from sale of finished goods to the customers. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Discount claims, rebates and retirement benefits which cannot be determined with certainty during the year, are recognized on receipt basis.

(iii) **Fixed Assets**

Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.

Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

(iv) **Depreciation**

Upto March 31st, 2014 depreciation on fixed assets is provided on straight line method (SLM) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013 except in respect of the assets mentioned in Sub note (2) to the Note-12 forming part of Notes to accounts.

Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.

(v) **Investments**

Investments are stated at cost.

(vi) **Inventories**

Inventories are valued at lower of cost or net realizable value. Inventories are taken as valued and certified by the management of the company.

(vii) **Excise Duty**

Excise Duty is charged on ad-valorem basis and is accounted for when the goods are cleared from factory site.

(viii) **Provision for Current Tax and Deferred Tax**

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried.

(ix) **Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, if any.

Contingent assets are neither recognized nor disclosed in the financial statements.

02 Share Capital: Particulars	As At	
	31-Mar-18 Amount In Rs.	31-Mar-17 Amount In Rs.
Authorized : Equity shares 20,000,000 of Rs.10 Each	200,000,000	200,000,000
Issued, Subscribed and Paid up : Equity shares 11,371,600 of Rs.10 Each	113,716,000	113,716,000
TOTAL	1137,16,000	113,716,000

2.1 The Reconciliation of No. of shares outstanding is set out below:

Particulars	As At 31-Mar-18		As At 31-Mar-17	
	No. of shares	Amount In Rs.	No. of shares	Amount In Rs.
Equity Shares at the beginning of the year	11,371,600	113,716,000	8,371,600	83,716,000
Add: Shares issued under IPO	-	-	3,000,000	30,000,000
Add: Shares issued as Bonus	-	-	-	-
Less: Shares Redeemed or bought back during the period	-	-	-	-
Equity Shares at the end of the year	11,371,600	113,716,000	11,371,600	113,716,000

Rights, Preferences and Restrictions attached to shares

Equity Shares

The company has only one class of Equity having a par value ` 10.00 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the board of directors ,if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend. In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

2.2 The Details of Shareholder holding more than 5% Shares:

Name Of Shareholder	As At		As At	
	31-Mar-18		31-Mar-17	
	No. Of Shares	% Held	No. Of Shares	% Held
Asamalji S. Mehta	1,466,950	12.90	1,466,950	12.90
Ashok Devji Parmar	660,000	5.80	660,000	5.80
Jayesh A. Mehta	1,751,500	15.40	1,751,500	15.40
Sagardeep Engineers Pvt Ltd	633,500	5.57	633,500	5.57
Satish A. Mehta	1,578,550	13.88	1,578,550	13.88
Ugamdevi A. Mehta	1,040,600	9.15	1,040,600	9.15
	7,131,100	62.71	7,131,100	62.71

03 Reserves and Surplus:

Particulars	As At	
	31-Mar-18 Amount In Rs.	31-Mar-17 Amount In Rs.
Profit and Loss Account		
Opening Balance	46,242,014	43,525,951
Add: Profit for the year	5,453,047	2,716,063
Closing Balance	51,695,061	46,242,014

Securities Premium		
Opening Balance	78,592,560	49,964,000
Add: Addition during the year	-	30,000,000
Less: Deletion during the year	-	(1,371,440)
Closing Balance	78,592,560	78,592,560
TOTAL (Rs.) :	130,287,621	124,834,574

04 Long-Term Borrowings:

Particulars	As At 31-Mar-18 Amount InRs.		As At 31-Mar-17 Amount In Rs.	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Loans and advances from related party and others				
Unsecured Loans	-	-	-	-
Other Loans and advances				
Loans taken for vehicles - Secured (Sub Note : 1)	256,871	796,539	1,053,410	717,363
	256,871	796,539	1,053,410	717,363
The above amounts includes				
Secured Borrowings	256,871	796,539	1,053,410	717,363
Unsecured Borrowings	-	-	-	-
Amount Disclosed under the head "Other Current Liabilities" (Note No: 9)		(796,539)	-	(717,363)
TOTAL(Rs.) :	256,871	-	1,053,410	-

Sub Note : 1

(i) Vehicle Loan taken from HDFC Bank Limited amounting to Rs.2,100,000/- repayable in 60 installments of Rs.44,750/- starting from August 05, 2014.

(ii) Vehicle Loan taken from HDFC Bank Limited amounting to Rs.1,300,000/- repayable in 60 installments of Rs.27,720/- starting from July 05, 2014.

05 Deferred Tax Liabilities:

Particulars	As At	
	31-Mar-18 Amount In Rs.	31-Mar-17 Amount In Rs.
Deferred tax liability		
Related to Fixed Assets	5,517,984	5,356,635
Deferred tax liabilities/assets		
Related to Preliminary Expenses	80,340	80,340
Gross Deferred Tax Liability	5,598,324	5,436,975
Net Deferred Tax Liability	5,598,324	5,436,975

06 Long-Term Provisions:

Particulars	As At 31-Mar-18 Amount In Rs.		As At 31-Mar-17 Amount In Rs.	
	Long-Term	Short-Term	Long-Term	Short-Term
Other Provisions				
Expenses Payable	-	449,894	-	56,021
TDS Payable	-	12,541	-	71,802
TOTAL (Rs.):	-	462,435	-	127,823

07 Short-Term Borrowings:

Particulars	As At 31-Mar-18 Amount In Rs.		As At 31-Mar-17 Amount In Rs.	
	Loans Repayable on Demands - From Banks			
Working Capital Loans - Secured (Sub Note -1)		96,936,927		91,598,267
		96,936,927		91,598,267
The above amount includes				
Secured Borrowings		96,936,927		91,598,267
TOTAL (Rs.)		96,936,927		91,598,267

Sub Note : 1

i) AXIS Bank C.C. outstanding as on March 31, 2018 is secured against Hypothecation of all current assets of the company (present and future), Plant & Machinery, Furniture and Fixtures, office equipment and other class of movable assets except vehicles financed by other banks.

ii) Collateral Security by Equitable mortgage of Factory Land & Building situated at block no. 2070, Village -Santej, Taluka Kalol, District-Gandhinagar

iii) Interest rate on C.C. is 10.00% and directors have given their personal guarantee for the same.

08 Trade Payables:

Particulars	As At 31-Mar-18 Amount In Rs.		As At 31-Mar-17 Amount In Rs.	
	Sundry Creditors for Goods		48,801,833	
Sundry Creditors for Capital Goods		-		-
Sundry Creditors for Expenses		2,222,549		4,326,325
TOTAL (Rs.):		51,024,382		153,696,690

Sub Note:

Trade Payable as on March 31, 2018 is taken as certified by management. No security have been given for the same.

09 Other Current Liabilities:

Particulars	As At	
	31-Mar-18	31-Mar-17
	Amount In Rs.	Amount In Rs.
Current Maturities of Long Term Loans (Note : 4) (Sub Note : 1)	796,539	717,363
	796,539	717,363
Other Payables		
Advance received from customers (Sub Note : 2)	128,334	643,931
	128,334	643,931
TOTAL (Rs.) :	924,873	1,361,294

Sub Note : 1

(i) Vehicle Loan taken from HDFC Bank Limited amounting to Rs. 2,100,000/- repayable in 60 installments of Rs. 44,750/- starting from August 05, 2014.

(ii) Vehicle Loan taken from HDFC Bank Limited amounting to Rs. 1,300,000/- repayable in 60 installments of Rs. 27,720/- starting from July 05, 2014.

Sub Note : 2

Advanced received from customer as on March 31, 2018 is taken as certified by the management. No security have been given for the same.

10 Short-Term Provisions:

Particulars	As At		As At	
	31-Mar-18		31-Mar-17	
	Amount In Rs.		Amount In Rs.	
	Long-Term	Short-Term	Long-Term	Short-Term
Other Provisions (Sub Note: 1)				
Expenses Payable	-	449,894	-	56,021
TDS Payable	-	12,541	-	71,802
TOTAL (Rs.) :	-	462,435	-	127,823

Sub Note: 1

Short-Term provisions as on March 31, 2018 includes amount provided based on the management estimation.

11 Fixed Assets as at 31st March 2018

	Description of Assets	Useful life (In Years)	Shift Operated	Gross Block				Accumulated Depreciation / Amortization				Net Block	Net Block
				Balance as at 01-Apr-17	Additions during the period	Deletions during the period	Balance as at 31-Mar-18	Balance as at 01-Apr-17	Provided during the period	Deletions during the period	Balance as at 31-Mar-18	Balance as at 31-Mar-18	Balance as at 31-Mar-17
A	Tangible Assets												
(a)	Own Assets												
	Buildings												
	Factory at Santej	30.00	Single	6,212,006	-	-	6,212,006	1,441,573	197,625	-	1,639,198	4,572,808	4,770,433
	Bandhu Samaj	30.00	Single	7,676,750	153,000	-	7,829,750	1,229,683	262,120	-	1,491,803	6,337,947	6,447,067
	Shed at Rakhial	30.00	Single	1,177,190	-	-	1,177,190	238,369	41,805	-	280,174	897,016	938,821
	Shed at Jagannath Estate	30.00	Single	173,610	-	-	173,610	21,687	5,655	-	27,342	146,268	151,923
				15,239,556	153,000	-	15,392,556	2,931,312	507,205	-	3,438,517	11,954,039	12,308,244
	Plant & Machinery												
	Plant & Machinery	15.00	Single	15,082,036	76,800	-	15,158,836	5,372,768	1,034,524	-	6,407,292	8,751,544	9,709,268
	Analytical Machine	15.00	Single	1,012,099	-	-	1,012,099	429,220	70,983	-	500,203	511,896	582,879
	Plant & Machinery - Lunej	15.00	Single	28,181,921	-	-	28,181,921	4,972,063	1,816,730	-	6,788,793	21,393,128	23,209,858
				44,276,056	76,800	-	44,352,856	10,774,051	2,922,237	-	13,696,288	30,656,568	33,502,005
	Furniture & Fittings												
	Furniture & Fixtures	10.00	Single	15,604	-	-	15,604	10,371	1,954	-	12,325	3,279	5,233
				15,604	-	-	15,604	10,371	1,954	-	12,325	3,279	5,233
	Office Equipment												
	Air Conditioner	5.00	Single	81,600	-	-	81,600	63,395	6,175	-	69,570	12,030	18,205
	CCTV	10.00	Single	-	32,981	-	32,981	-	191	-	191	32,790	-
	Water Dispenser	5.00	Single	14,700	-	-	14,700	13,965	-	-	13,965	735	735
	Mobile Phones	5.00	Single	91,848	9,554	-	101,402	69,125	7,165	-	76,290	25,112	22,723
				188,148	42,535	-	230,683	146,485	13,531	-	160,016	70,667	41,663
	Motor Vehicles												
	Motor Car	8.00	Single	4,621,926	-	-	4,621,926	1,722,636	499,670	-	2,222,306	2,399,620	2,899,290
	Other Vehicles	10.00	Single	128,698	-	-	128,698	80,035	12,230	-	92,265	36,433	48,663
				4,750,624	-	-	4,750,624	1,802,671	511,900	-	2,314,571	2,436,053	2,947,953
	Computers and Data Processing Units												
	Computers and Printer	3.00	Single	470,191	-	-	470,191	447,465	-	-	447,465	22,726	22,726
				470,191	-	-	470,191	447,465	-	-	447,465	22,726	22,726

													-
Land	-	-	5,555,555	-	-	5,555,555	-	-	-	-	5,555,555	5,555,555	
Total (A)	-	-	70,495,734	272,335	-	70,768,069	16,112,355	3,956,827	-	20,069,182	50,698,887	54,383,379	
B Capital Work In Progress Buildings													
Bandhu Samaj (WIP)	-	-	8,162,094	1,646,386	-	9,808,480	-	-	-	-	9,808,480	8,162,094	
Factory Shed (WIP)	-	-	2,852,306	-	-	2,852,306	-	-	-	-	2,852,306	2,852,306	
Total (B)	-	-	11,014,400	1,646,386	-	12,660,786	-	-	-	-	12,660,786	11,014,400	
Grand Total (A+B)	-	-	81,510,134	1,918,721	-	83,428,855	16,112,355	3,956,827	-	20,069,182	63,359,673	65,397,779	

Sub Note:

- 1) Company had started its plant at Lunej, Khambhat in July, 2014 in a premise which was taken on rent. Initially, the promoters of the company were intending to purchase the whole plant including land & building but there was problem in the clearance of title deed. Therefore, the company entered into a rent agreement with the seller for using the said premise for a period of 11 months and to acquire the plant later on when the title is cleared in the name of the seller. The company invested approximately Rs. 3.00 Crores in plant & machineries for commencing its business activities. As the seller could not clear property title in his name even after completion of a year and it was apparent that seller was delaying the sale process unnecessarily, Company decided to leave the project and shut down plant. Company carried out its last transaction in June 2015 and since then Company has neither done any manufacturing nor carried out any sale transaction in business. During period from July 2014 to June 2015, company made total turnover of Rs. 83.29 Lacs (approx) and Company realized the amount of Rs. 74 Lacs (approximately). At present plant is in the possession of Land Owner and Company is planning to sold out its all assets related with plant as it is not viable for the company to do the business. In June 2015 plant possession was taken by the land owner and stocks of Rs. 9.00 Lacs (approximately) were lying in the factory. At present plant is not working but company is regularly filing its Excise Return.

12 Non-Current Investments:

Particulars	As At	
	31-Mar-18	31-Mar-17
	Amount In Rs.	Amount In Rs.
Non-Trade Investments (Valued at cost unless stated otherwise)		
Investments in equity Instruments (Unquoted) - In Others	-	
Investments in other Indian Companies Equity Instruments		
Unquoted Non-Trade (Sub Note : 1)	51,620,000	51,620,000
TOTAL (Rs.) :	51,620,000	51,620,000

Sub Note : 1

The Company has invested Rs.51,620,000/- in its wholly owned subsidiary i.e. Sagardeep Engineers Private Limited.

13 Loans and Advances:

Particulars	As At		As At	
	31-Mar-18		31-Mar-17	
	Long-Term	Short-Term	Long-Term	Short-Term
	Amount In Rs.		Amount In Rs.	
Security Deposit				
Unsecured Considered good (Sub Note : 1)	1,834,570	-	1,834,570	-
	1,834,570	-	1,834,570	-
Loans and advances to related parties				
Secured considered good	-	-	-	-
	-	-	-	-
Other Loans and Advances				
GST / Cenvat Receivable (Secured)	-	6,867,985	-	7,906,435
Deposit with Government (Sub Note: 2)	-	3,033,000	-	4,933,000
Other Advance to outsiders(Sub Note : 3)	-	31,208,213	-	-
Other Receivables	-	-	-	180,382
Advance Tax (including TDS and TCS)	-	160,679	-	438,936
VAT Receivables (Secured)	-	-	-	552,475
	-	41,269,877	-	14,011,228
TOTAL (Rs.) :	1,834,570	41,269,877	1,834,570	14,011,228

Sub Note : 1

Security deposit given includes deposit with Uttar Gujarat Vij Company Limited, Sabarmati Gas Limited and Torrent Power Limited.

Sub Note : 2

Deposit with government includes advances made under VAT Appeal made under Gujarat VAT Act.

Sub Note : 3

Other Advances given includes advances made to outsiders. The Interest rate is 12% p.a. and no security have been taken against the same.

14 Inventories:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Valued at Cost or NRV whichever is Less		
Raw Material	41,514,415	23,514,767
Finished Goods	12,881,579	3,293,870
Traded Goods	75,000	200,000
Work In Progress	1,435,554	4,632,500
TOTAL(Rs.) :	55,906,548	31,641,137

Sub Note: 1

Inventories as on March 31, 2018 has been taken as certified by management. The same have been physically verified as on March 31, 2018.

15 Trade Receivables:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Unsecured and considered good		
Exceeding six months	-	5,094,141
Others	150,419,101	268,295,189
TOTAL(Rs.) :	150,419,101	273,389,330

Sub Note:

Amounts receivable from Debtors as on March 31, 2018 taken as certified by management and considered good.

16 Cash and Cash Equivalent:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Balance with Banks	143,458	5,254,299
Fixed Deposits with Banks	1,367,296	1,284,793
Cash In Hand	227,528	508,972
TOTAL (Rs.):	1,738,282	7,048,064

Sub Note: 1

Cash in hand is taken as certified by the management as on March 31, 2018.

17 Short Term Loans and Advances:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Short Term Loans and Advances - (Note : 13)	41,269,877	14,011,228
TOTAL (Rs.) :	41,269,877	14,011,228

Sub Note : 1

Deposit with government includes advances made under VAT Appeal made under Gujarat VAT Act.

Sub Note : 2

Other Advances given includes advances made to outsiders. The Interest rate is 12% p.a. and no security have been taken against the same.

18 Other Current Assets:

Particulars	As At	As At
	31-Mar-18	31-Mar-17
	Amount In	Amount In Rs.
	Rs.	
Advance to Suppliers (Sub Note: 1)	32,098,581	46,762,001
Income Tax Refund Receivables	893,406	-
TCS Receivables	7,703	-
Prepaid Expenses (Sub Note: 2)	59,692	120,924
TOTAL(Rs.) :	33,059,382	46,882,925

Sub Note: 1

Advance to supplier is taken as certified by the management. No security have been given against the same.

Sub Note: 2

Prepaid expenses includes Prepaid Insurance, Memebership, Interenet etc.

19 Revenue from Operations:

Particulars	For the FY	For the FY
	2017-18	2016-17
	Amount In Rs.	Amount In Rs.
Sale of Products		
Revenue from sale of products	626,325,559	745,458,032
Sale of Services		
Revenue from Job Work	107,404	533,820
Other operating Revenues		
Packing and Forwarding	680,818	808,235
Quality Claim	-	1,178,584
Gross Revenue from Operations	627,113,781	747,978,671
Less:		
Excise Duty	3,054,386	22,698,978
Net Revenue from Operations	624,059,395	725,279,693

20 Other Income:

Particulars	For the FY	For the FY
	2017-18	2016-17
	Amount In Rs.	Amount In Rs.
Interest Income	848,892	771,172
	848,892	771,172

Other Non-Operating Income		
IPO Subsidy Income	500,000	-
Gain / Loss on Foreign Exchange	978,890	-
Profit on Sale / Purchase of License	-	249,246
TOTAL(Rs.) :	2,327,782	1,020,418
21 Cost of Material Consumed:		
Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Inventory at the beginning		
Raw Material	23,514,767	23,241,719
Add: Purchases		
Raw Material	358,176,375	148,327,058
Less: Inventory at the end		
Raw Material	41,514,415	23,514,767
TOTAL (Rs.) :	340,176,727	148,054,010
22 Purchase of Stock-In-Trade / Labour:		
Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Purchase of Stock-In-Trade	247,346,465	519,513,933
Labour Purchase	346,299	1,454,604
TOTAL (Rs.):	247,692,764	520,968,537
23 Changes In Inventories:		
Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs
Inventory at the end of the year		
Finished Goods	12,881,579	3,293,870
Work-In-Progress	1,435,554	4,632,500
Traded Goods	75,000	200,000
	14,392,133	8,126,370
Inventory at the beginning of the year		
Finished Goods	3,293,870	9,975,957
Work-In-Progress	4,632,500	1,964,430
Traded Goods	200,000	50,417
	8,126,370	11,990,804
(Increase)/Decrease in Inventories		
Finished Goods	(9,587,709)	6,682,087
Work-In-Progress	3,196,946	(2,668,070)
Traded Goods	125,000	(149,583)
TOTAL (Rs.) :	(6,265,763)	3,864,434

24 Employee Benefit expenses:

Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Salaries and Wages		
Bonus Expenses	293,760	115,120
Director's Remuneration	2,250,000	3,600,000
Salary and Wages	3,750,174	2,174,938
	6,293,934	5,890,058
Contribution to Provident Fund and other Funds		
Contribution to Provident Fund and other Funds	60,831	84,508
	60,831	84,508
Staff Welfare Expenses	50,602	54,469
TOTAL (Rs.) :	6,405,367	6,029,035

25 Finance Costs:

Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Interest Expenses		
Interest on Short-Term Loans from Banks	8,233,170	12,615,020
Interest on Others	5,454	502,410
Interest on Long-Term Loans from Banks	152,278	223,585
	8,390,902	13,341,015
Other Borrowing Costs		
Other Borrowing Costs	431,076	1,289,912
	431,076	1,289,912
TOTAL (Rs.) :	8,821,978	14,630,927

26 Other Expenses:

Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Bad Debts Expenses	638,594	-
Business & Sales Promotion Expenses	16,000	92,171
Canteen Expenses	137,356	-
Clearing and Forwarding Expenses	124,675	1,390,826
Conveyance Expenses	-	284,699
Custom Duty Expenses	105,752	10,783,972
Documentation Charges	-	266,170
Factory Expenses	452,861	368,885
Freight Expenses	660,532	3,230,868
Income Tax Expenses	-	209,030
Indirect Duty Expenses	379,028	266,987
Insurance Expenses	208,409	75,479

Labour Expenses	327,175	1,656,159
Legal & Professional Expenses (including statutory auditor's remuneration)	662,817	932,258
Loss of goods by Theft	918,891	-
Membership Expenses	147,500	-
Municipal Tax Expenses	32,723	19,400
Office Expenses	59,362	79,753
Postage & Courier Expenses	6,538	4,650
Power & Fuel Expenses	9,883,273	8,186,947
Printing & Stationary Expenses	27,340	37,027
Professional Tax Expenses	-	29,950
Rent Expenses	-	60,000
Repairing & Maintenance Expenses	433,944	405,348
ROC Expenses	10,790	14,000
Security Expenses	176,890	240,533
Store Purchase Expenses	2,211,167	1,838,466
Sundry Balances written off	29,450	(6,573,010)
Telephone Expenses	114,920	221,193
Travelling Expenses	16,814	191,563
TOTAL (Rs.):	17,782,801	24,313,324

27 Earning Per Share:

Particulars	As At 31-Mar-18 Amount In Rs.		As At 31-Mar-17 Amount In Rs.	
	Before Extra Ordinary Items	After Extra Ordinary Items	Before Extra Ordinary Items	After Extra Ordinary Items
Basic				
Profit after Tax (A)	5,453,047	5,453,047	2,716,063	2,716,063
Weighted average no. of shares outstanding (B)	11,371,600	11,371,600	10,993,518	10,993,518
Shares issued under IPO				
Basic EPS (A)/(B)	0.48	0.48	0.25	0.25
Diluted EPS (A)/(B)	0.48	0.48	0.25	0.25
Face Value per Share	10.00	10.00	10.00	10.00

28 Trade Receivables, Trade Payables, Loans & Advances, Cash on Hand has been taken at Book Value subject to confirmations and reconciliation.

29 Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

30 Excise Duty has not taken into account for valuation of finished goods looking at factory site in view of accounting policy. The same has no impact on statement of Profit & Loss.

31 Related Party Disclosures:

31.1 Related Parties & their Relationship

As per AS 18, the disclosures of transactions with the related parties are given below:

i) List of Related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Parties ^{##}	Relationship
(i)	Satish Asamal Mehta	Managing Director
(ii)	Asamal Siremal Mehta	Director
(iii)	Jayesh Asamal Mehta	Director
(iv)	Haresh Asamal Mehta	Director
(v)	Sagardeep Engineers Private Limited	Wholly Owned Subsidiary

31.2 Transactions with Related Parties

Particulars	Nature of Transaction	Amount(In `)
Satish Asamal Mehta	Director Remuneration	900,000
Asamal Siremal Mehta	Director Remuneration	225,000
Jayesh Asamal Mehta	Director Remuneration	900,000
Harish Asamal Mehta	Director Remuneration	225,000

^{##}Only those related party names are mentioned with whom transactions have taken place during the year.

32 All assets and Liabilities are presented as Current or Non-Current as per criteria set out in Schedule - III to the Companies Act, 2013 as notified by Ministry of Corporate Affairs. Based on the nature of operation of the company and realization from the trade receivables, the company has ascertained its operating cycle of less than 12 months. Accordingly 12 months period has been considered for the purpose of Current / Non Current classification of assets and liabilities.

33 The SSI Status of the creditors is not known to the company; hence the information is not given.

34 Capacity of Plant:

Class of Goods	UOM	Installed Capacity
Copper & Brass Items	MT	2400

35 Segment Reporting:

The Company has started the new business segment but the same is not fulfilling the requirement specified under "Reportable Segment" as per the AS-17 Segment Reporting. So the Company is not liable to disclose the same.

36 Payment to Auditor as:

Sr. No.	Auditor	2017-18	2016-17
i)	Statutory Audit	150,000	150,000
ii)	Tax Audit	40,000	40,000

37 Previous year's figures have been regrouped and rearranged wherever necessary.

For Piyush J. Shah & Co.

FRN : 121172W

Chartered Accountants

Piyush J. Shah

Partner

M.No. : 108670

Place : Ahmedabad

Date : 28th May 2018

For SagarDeep Alloys Limited

Satish Asamal Mehta
Chairman & Managing
Director
DIN – 01958984

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Krishnakant Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS OF
SAGARDEEP ALLOYS LIMITED**

Opinion

We have audited the accompanying consolidated financial statements of **SAGARDEEP ALLOYS LIMITED** (“the Company”), which comprise the Balance Sheet as at **31st March, 2018**, the Profit and Loss Statement, the Cash Flow Statement for the Period ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018 and its profit and its cash flows for the year/period ended on that date.

Basis of Our Opinion

We conducted our audit in accordance with the standard on auditing (SAs) specified under section 143(10) of the companies act, 2013. Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the code ethics issued by the institute of chartered accountants of India together with ethical requirements that are relevant to our audit of financial statement under the provisions of the companies act, 2013 and rules there under, and we have fulfilled our ethical responsibilities in accordance with these requirements and the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

MANAGEMENT’S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report that:

- k) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- l) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- m) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- n) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- o) On the basis of the written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
- p) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B"; and
- q) With respect to the other matters included in the auditor's report and to best of our information and according to the explanation given to us.

4. The company has disclosed the impact of pending litigation on its financial position in its financial statement, if any.
5. The company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
6. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the company, if any.

For Piyush J. Shah & Co.
Chartered Accountants
FRN: 121172W

Piyush J. Shah
Partner
M. No: 108670
Place: Ahmedabad
Date: 28th May, 2018

Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note	AMOUNT IN Rs. 31-Mar-18	AMOUNT IN Rs. 31-Mar-17
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	02	107,381,000	107,381,000
(b) Reserves and surplus	03	129,571,095	124,855,813
		236,952,095	232,236,813
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	04	12,449,811	21,346,350
(b) Deferred Tax Liability (Net)	05	6,114,277	5,832,971
(c) Long Term Provisions	06	-	-
(d) Other Non current liabilities		-	-
		18,564,088	27,179,321
4 Current liabilities			
(a) Short Term Borrowings	07	96,936,927	91,598,267
(b) Trade payables	08	93,649,204	224,530,100
(c) Other Current Liabilities	09	926,073	1,361,294
(d) Short term Provisions	10	472,435	255,206
		191,984,639	317,744,867
		447,500,822	577,161,001
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		60,641,706	64,486,159
(ii) Intangible assets			
(iii) Capital work-in-progress		40,221,348	41,416,571
(iv) Intangible assets under development			
(b) Non-current Investments		-	-
(c) Long - Term Loans and Advances	12	4,604,228	4,624,228
(d) Other Non-current Assets		-	-
		105,467,282	110,526,958
2 Current assets			
(a) Inventories	13	55,869,427	31,604,016
(b) Trade receivables	14	209,640,780	366,807,340
(c) Cash and cash equivalents	15	1,931,726	7,267,973
(d) Short-term loans and advances	16	41,269,877	13,984,532
(e) Other current assets	17	33,321,730	46,970,182
		342,033,540	466,634,043
		447,500,822	577,161,001

Summary of significant accounting policies

1 to 36

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.
FRN : 121172W
Chartered Accountants

Piyush J. Shah
Partner
M.No. : 108670

Place : Ahmedabad
Date : 28th May 2018

For SagarDeep Alloys Limited

Satish Asamal Mehta
Chairman & Managing Director
DIN – 01958984

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Krishnakant Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

Consolidated Statement of Profit and loss for the year ended 31st March, 2018

Particulars	Note	AMOUNT IN Rs. 31-Mar-2018	AMOUNT IN Rs. 31-Mar-2017
I. Revenue From Operations			
Sales	18	624,059,395	818,567,921
		624,059,395	818,567,921
II. Other Income	19	2,419,582	2,140,538
III. Total Revenue (I + II)		626,478,977	820,708,459
IV. Expenses:			
Cost of materials consumed	20	340,176,727	148,054,010
Purchase of Stock In Trade	21	247,692,764	611,506,033
Changes in Inventories	22	(6,265,763)	4,830,621
Employee benefits expenses	23	6,405,367	6,029,035
Finance costs	24	8,823,230	15,797,297
Depreciation and amortization expense			
(i) Depreciation for the year		4,116,788	4,114,035
(ii) Preliminary Expenses W/off		-	-
Other expenses	25	18,202,460	24,747,079
Total expenses		619,151,573	815,078,110
V. Profit before exceptional and extraordinary items		7,327,404	5,630,349
VI. Exceptional items			
Prior Period Expenses		28,478	-
VII. Profit before extraordinary items and tax (V - VI)		7,298,926	5,630,349
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		7,298,926	5,630,349
X. Tax expense:			
(1) Current tax		2,173,602	1,075,840
(2) Deferred tax		281,306	1,092,263
(3) Short / (Excess) Provision		128,736	40,469
XI Profit (Loss) for the period		4,715,282	3,421,777
XII Earnings per equity share:	26		
(1) Basic			
(i) Before Extraordinary Items		0.44	0.33
(ii) After Extraordinary Items		0.44	0.33
(2) Diluted			
(i) Before Extraordinary Items		0.44	0.33
(ii) After Extraordinary Items		0.44	0.33

Summary of significant accounting policies

1 to 36

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.

FRN : 121172W

Chartered Accountants

Piyush J. Shah

Partner

M.No. : 108670

Place : Ahmedabad

Date : 28th May 2018

For SagarDeep Alloys Limited

Satish Asamal Mehta
Chairman & Managing Director
DIN – 01958984

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Krishnakant Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2018

PARTICULARS	AMOUNT IN Rs. 31-Mar-2018	AMOUNT IN Rs. 31-Mar-2017
Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	7,298,926	5,630,349
Adjusted for:		
Depreciation & amortization	4,116,788	4,114,035
Depreciation written back	-	(106,120)
Interest income on loans & advances given	(848,892)	(771,172)
Loss on sale of fixed assets	370,834	-
Net (gain) / loss on Foreign Exchanges	978,890	-
Interest & finance costs	8,823,230	15,797,297
Operating cash flow before working capital changes	20,739,776	24,664,389
Adjusted for:		
(Increase)/ decrease in Inventories	(24,265,411)	4,557,573
(Increase)/ decrease in trade receivables	157,166,560	(11,561,347)
Increase/ (decrease) in trade payables	(130,880,896)	49,058,506
Increase/ (decrease) in other current assets	13,648,452	-
Increase/ (decrease) in other current liabilities	(435,221)	(48,482,514)
Increase/ (decrease) in long term provisions	-	-
Increase/ (decrease) in short term provisions	(845,109)	(55,786)
Cash generated from / (used in) operations	35,128,151	18,180,821
Income taxes paid	(1,200,000)	(1,232,650)
Net cash generated from/ (used in) operating activities [A]	33,928,151	16,948,171
Cash flow from investing activities:		
Purchase of fixed assets	(2,647,946)	(2,354,783)
Sale of fixed assets	3,200,000	6,119
Interest income on loans & advances given	848,892	771,172
(Increase)/ decrease in long term loans and advances	(20,000)	-
(Increase)/ decrease in short term loans and advances	(27,285,345)	(33,858,184)
Net cash flow from/(used) in investing activities [B]	(25,904,399)	(35,435,676)
Cash flow from financing activities:		
Increase in / Repayment of Long-Term Borrowings	(8,896,539)	19,575,577
Increase in / Repayment of Short-Term Borrowings	5,338,660	(40,787,176)
Interest & finance costs	(8,823,230)	(15,797,297)
Net (gain) / loss on Foreign Exchanges	(978,890)	-
Proceeds from the Issue of Shares	-	58,628,560
Net cash flow from/(used in) financing activities [C]	(13,359,999)	21,619,664
Net increase/(decrease) in cash & cash equivalents [A+B+C]	(5,336,247)	3,132,159
Cash & cash equivalents as at beginning of the period	7,267,973	4,135,814
Cash & cash equivalents as at end of the period (Refer Note : 15)	1,931,726	7,267,973

Summary of significant accounting policies

1 to 36

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Piyush J. Shah & Co.

FRN : 121172W

Chartered Accountants

Piyush J. Shah

Partner

M.No. : 108670

Place : Ahmedabad

Date : 28th May 2018

For SagarDeep Alloys Limited

Satish Asamal Mehta

Chairman & Managing Director

DIN – 01958984

Jayesh Ashmal Mehta

Whole-time Director

DIN – 02156140

Krishnakant Somani

Chief Financial Officer

Barkha Deshmukh

Company Secretary

- 01 Significant Accounting Policies on Consolidated Financial Statements**
- (i) Basis of Accounting Policy**
 The consolidated Financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAPP), including the Accounting standards referred to in Section 133 of the Companies Act, 2013 or Section 211 (3C) of the Companies Act, 1956.
- The financial statements are prepared on accrual basis under the historical cost convention. The financial statements are presented in Indian rupees rounded off to the nearest rupee.
- (ii) Revenue Recognition**
 Revenue is primarily derived from sale of finished goods to the customers. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods.
 Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
 Discount claims, rebates and retirement benefits which cannot be determined with certainty during the year, are recognized on receipt basis.
- (iii) Fixed Assets**
 Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates, less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use.
 Subsequent expenditures related to an item of Tangible Asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.
- (iv) Depreciation**
 Upto March 31st, 2014 depreciation on fixed assets is provided on straight line method (SLM) at the rate and manner prescribed in schedule XIV of the Companies Act, 1956 over their useful life. w.e.f April 1st, 2014 depreciation is provided based on useful life of asset as prescribed in schedule II of Companies Act 2013. The carrying amount as on April 1st, 2014 is depreciated over the balance useful life of asset.
 Depreciation on additions to the assets and the assets sold or disposed off, during the year is provided on prorata basis, at their respective useful life or rate of depreciation as prescribed with reference to the date of acquisition / installation or date of sale / disposal.
- (v) Investments**
 Investments are stated at cost.
- (vi) Inventories**
 Inventories are valued at lower of cost or net realizable value. Inventories are taken as valued and certified by the management of the company.
- (vii) Excise Duty**
 Excise Duty is charged on ad-valorem basis and is accounted for when the goods are cleared from factory site.
- (viii) Provision for Current Tax and Deferred Tax**
 Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961.
 Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax assets are recognized and carried.
- (ix) Provisions, Contingent Liabilities and Contingent Assets**
 Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
 Contingent liabilities are disclosed unless the possibility of outflow of resources is remote, if any.
 Contingent assets are neither recognized nor disclosed in the financial statements.

02 Share Capital:

Particulars	As At	As At
	31-Mar-18	31-Mar-17
	Amount In Rs.	Amount In Rs.
Authorized :		
Equity shares 20,000,000 of Rs.10 Each	2000,00,000	2000,00,000
Issued, Subscribed and Paid up :		
Equity shares 10,738,100 of Rs.10 Each	1073,81,000	1073,81,000
TOTAL ` :	1073,81,000	1073,81,000

2.1 The Reconciliation of No. of shares outstanding is set out below:

Particulars	As At		As At	
	31-Mar-18		31-Mar-17	
	No. of shares	Amount In Rs.	No. of shares	Amount In Rs.
Equity Shares at the beginning of the year	107,38,100	1073,81,000	7,738,100	77,381,000
Add: Shares issued in IPO	-	-	30,00,000	300,00,000
Add: Shares issued as Bonus	-	-	-	-
Less: Shares Redeemed or bought back during the period	-	-	-	-
Equity Shares at the end of the year	107,38,100	1073,81,000	107,38,100	1073,81,000

Rights, Preferences and Restrictions attached to shares
Equity Shares

The company has only one class of Equity having a par value Rs.10.00 per share. Each Shareholder is eligible for one vote per share held. The dividend proposed by the board of directors , if any is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.

In the event of liquidation, the Equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

2.2 The Details of Shareholder holding more than 5% Shares:

Name Of Shareholder	As At		As At	
	31-Mar-18		31-Mar-17	
	No. Of Shares	% Held	No. Of Shares	% Held
Asamalji S. Mehta	14,66,950	13.66	14,66,950	18.96
Ashok devji parmar	6,60,000	6.15	6,60,000	6.15
Jayesh A. Mehta	17,51,500	16.31	17,51,500	22.63
Satish A. Mehta	15,78,550	14.70	15,78,550	20.40
Ugamdevi A. Mehta	10,40,600	9.69	10,40,600	13.45
	6,497,600	60.51	6,497,600	60.51

03 Reserves and Surplus:

Particulars	As At	
	31-Mar-18 Amount In Rs.	31-Mar-17 Amount In Rs.
Profit and Loss Account		
Opening Balance	44,073,587	406,51,810
Add: Profit for the year	34,21,777	4,715,282
Closing Balance	48,788,869	440,73,587
Securities Premium		
Opening Balance	778,03,216	491,74,656
Add: Addition during the year	-	300,00,000
Less: Deletion during the year	-	(13,71,440)
Closing Balance	778,03,216	778,03,216
Capital Reserve		
Opening Balance	29,79,010	29,79,010
Add: Addition during the year	-	-
Less: Deletion during the year	-	-
Closing Balance	29,79,010	29,79,010
TOTAL (Rs.) :	129,571,095	1248,55,813

04 Long-Term Borrowings:

Particulars	As At		As At	
	31-Mar-18		31-Mar-17	
	Amount In Rs.		Amount In Rs.	
	Non - Current	Current Maturities	Non - Current	Current Maturities
Loans and advances from related party and others				
Unsecured Loans	-	-	20,292,940	-
Loan from inter corporates (Sub Note: 1)	12,192,940	-	-	-
	12,192,940	-	20,292,940	-
Other Loans and advances				
Loans taken for vehicles - Secured (Sub Note : 2)	256,871	796,539	1,053,410	717,363
	256,871	796,539	1,053,410	717,363
The above amounts includes				
Secured Borrowings	256,871	796,539	1,053,410	717,363
Unsecured Borrowings	12,192,940	-	20,292,940	-
Amount Disclosed under the head "Other Current Liabilities" (Note No: 9)	-	(796,539)	-	(717,363)
TOTAL (Rs.) :	12,449,811	-	21,346,350	-

Sub Note : 1

The subsidiary company has availed loan from inter corporarate. The repayment terms has not been decided.

Sub Note : 2

(i) Vehicle Loan taken from HDFC Bank Limited amounting to ` 2,100,000/- repayable in 60 installments of ` 44,750/- starting from August 05, 2014.

(ii) Vehicle Loan taken from HDFC Bank Limited amounting to ` 1,300,000/- repayable in 60 installments of ` 27,720/- starting from July 05, 2014.

05 Deferred Tax Liabilities:

Particulars	As At	
	31-Mar-18 Amount In Rs.	31-Mar-17 Amount In Rs.
Deferred tax liability		
Related to Fixed Assets	6,033,937	5,752,631
Deferred tax liabilities/assets		
Related to Preliminary Expenses	80,340	80,340
Gross Deferred Tax Liability	6,114,277	5,832,971
Net Deferred Tax Liability	6,114,277	5,832,971

06 Long-Term Provisions:

Particulars	As At		As At	
	31-Mar-18		31-Mar-17	
	Amount In Rs.		Amount In Rs.	
	Long-Term	Short-Term	Long-Term	Short-Term
Other Provisions				
Expenses Payable	-	459,894	-	67,522
TDS Payable	-	12,541	-	187,684
TOTAL (Rs.) :	-	472,435	-	255,206

07 Short-Term Borrowings:

Particulars	As At		As At	
	31-Mar-18 Amount In Rs.	31-Mar-17 Amount In Rs.	31-Mar-18 Amount In Rs.	31-Mar-17 Amount In Rs.
Loans Repayable on Demands - From Banks				
Working Capital Loans - Secured (Sub Note -1)	96,936,927	91,598,267	96,936,927	91,598,267
The above amount includes				
Secured Borrowings	96,936,927	91,598,267	96,936,927	91,598,267
TOTAL (Rs.) :	96,936,927	91,598,267	96,936,927	91,598,267

Sub note:1

i) AXIS Bank C.C. outstanding as on March 31, 2018 is secured against Hypothecation of all current assets of the company (present and future), Plant & Machinery, Furniture and Fixtures, office equipment and other class of movable assets except vehicles financed by other banks.

ii) Collateral Security by Equitable mortgage of Factory Land & Building situated at block no. 2070, Village - Santej, Taluka Kalol, District-Gandhinagar

iii) Interest rate on C.C. is 10.00% and directors have given their personal guarantee for the same.

08 Trade Payables:

Particulars	As At	
	31-Mar-18	31-Mar-17
	Amount In Rs	Amount In Rs.
Sundry Creditors for Goods	91,426,655	220,193,042
Sundry Creditors for Capital Goods	-	-
Sundry Creditors for Expenses	2,222,549	4,337,058
TOTAL (Rs.) :	93,649,204	224,530,100

Sub Note:

Trade Payable as on March 31, 2018 is taken as certified by management. No security have been given for the same.

09 Other Current Liabilities:

Particulars	As At	
	31-Mar-18	31-Mar-17
	Amount In Rs	Amount In Rs.
Current Maturities of Long Term Loans (Note : 4) (Sub Note : 1)	796,539	717,363
	796,539	717,363
Other Payables		
Payable to Directors	1,200	-
Advance received from customers (Sub Note : 2)	128,334	643,931
	129,534	643,931
TOTAL (Rs.) :	926,073	1,361,294

Sub Note : 1

(i) Vehicle Loan taken from HDFC Bank Limited amounting to Rs.2,100,000/- repayable in 60 installments of Rs.44,750/- starting from August 05, 2014.

(ii) Vehicle Loan taken from HDFC Bank Limited amounting to Rs.1,300,000/- repayable in 60 installments of Rs.27,720/- starting from July 05, 2014.

Sub Note : 2

Advanced received from customer as on March 31, 2018 is taken as certified by the management. No security have been given for the same.

10 Short-Term Provisions:

Particulars	As At		As At	
	31-Mar-18		31-Mar-17	
	Long-Term	Short-Term	Long-Term	Short-Term
Other Provisions (Sub Note: 1)				
Expenses Payable	-	459,894	-	67,522
TDS Payable	-	12,541	-	187,684
TOTAL (Rs.) :	-	472,435	-	255,206

Sub Note: 1

Short-Term provisions as on March 31, 2018 includes amount provided based on the management estimation.

11 Fixed Assets as at 31st March 2018

				Gross Block				Accumulated Depreciation / Amortization				Net Block	Net Block	
	Description of Assets	Useful life (In Years)	Shift Operated	Balance as at 01-Apr-17	Additions during the period	Deletions during the period	Balance as at 31-Mar-18	Balance as at 01-Apr-17	Provided during the period	Deletions during the period	Balance as at 31-Mar-18	Balance as at 31-Mar-18	Balance as at 31-Mar-17	
A (a)	Tangible Assets													
	Own Assets													
		Buildings												
		Factory at Santej	30.00	Single	6,212,006	-	-	6,212,006	1,441,573	197,625	-	1,639,198	4,572,808	4,770,433
		Bandhu Samaj	30.00	Single	7,676,750	153,000	-	7,829,750	1,229,683	262,120	-	1,491,803	6,337,947	6,447,067
		Shed at Rakhial	30.00	Single	1,177,190	-	-	1,177,190	238,369	41,805	-	280,174	897,016	938,821
		Golden Estate D1 to D20	60.00	Single	10,317,241	-	-	10,317,241	214,461	159,961	-	374,422	9,942,819	10,102,780
		Shed at Jagannath Estate	30.00	Single	173,610	-	-	173,610	21,687	5,655	-	27,342	146,268	151,923
					25,556,797	153,000	-	25,709,797	3,145,773	667,166	-	3,812,939	21,896,858	22,411,024
		Plant & Machinery												
		Plant & Machinery	15.00	Single	15,082,036	76,800	-	15,158,836	5,372,768	1,034,524	-	6,407,292	8,751,544	9,709,268
		Analytical Machine	15.00	Single	1,012,099	-	-	1,012,099	429,220	70,983	-	500,203	511,896	582,879
		Plant & Machinery - Lunej	15.00	Single	28,181,921	-	-	28,181,921	4,972,063	1,816,730	-	6,788,793	21,393,128	23,209,858
					44,276,056	76,800	-	44,352,856	10,774,051	2,922,237	-	13,696,288	30,656,568	33,502,005
		Furniture & Fittings												
		Furniture & Fixtures	10.00	Single	15,604	-	-	15,604	10,371	1,954	-	12,325	3,279	5,233
					15,604	-	-	15,604	10,371	1,954	-	12,325	3,279	5,233
		Office Equipment												
		Air Conditioner	5.00	Single	81,600	-	-	81,600	63,395	6,175	-	69,570	12,030	18,205
		CCTV	10.00	Single	-	32,981	-	32,981	-	191	-	191	32,790	-
		Water Dispenser	5.00	Single	14,700	-	-	14,700	13,965	-	-	13,965	735	735
		Mobile Phones	5.00	Single	91,848	9,554	-	101,402	69,125	7,165	-	76,290	25,112	22,723
					188,148	42,535	-	230,683	146,485	13,531	-	160,016	70,667	41,663
	Motor Vehicles													
	Motor Car	8.00	Single	4,621,926	-	-	4,621,926	1,722,636	499,670	-	2,222,306	2,399,620	2,899,290	
	Other Vehicles	10.00	Single	128,698	-	-	128,698	80,035	12,230	-	92,265	36,433	48,663	
				4,750,624	-	-	4,750,624	1,802,671	511,900	-	2,314,571	2,436,053	2,947,953	

B	Computers and Data Processing Units Computers and Printer	3.00	Single	470,191	-	-	470,191	447,465	-	-	447,465	22,726	22,726	
				470,191	-	-	470,191	447,465	-	-	447,465	22,726	22,726	
	Land	-	-	5,555,555	-	-	5,555,555	-	-	-	-	5,555,555	5,555,555	
	Total (A)	-	-	80,812,975	272,335	-	81,085,310	16,326,816	4,116,788	-	-	20,443,604	60,641,706	64,486,159
	Capital Work In Progress													
	Buildings													
	Bandhu Samaj (WIP)	-	-	8,162,094	1,646,386	-	9,808,480	-	-	-	-	9,808,480	8,162,094	
	Golden Estate D11 to D20	-	-	10,317,241	-	-	10,317,241	-	-	-	-	10,317,241	10,317,241	
Elite Flats	-	-	3,232,880	337,954	3,570,834	-	-	-	-	-	-	3,232,880		
Golden Estate H15 to H16	-	-	2,330,600	-	-	2,330,600	-	-	-	-	2,330,600	2,330,600		
Golden Estate H3 to H4	-	-	2,330,600	-	-	2,330,600	-	-	-	-	2,330,600	2,330,600		
Sindh Bank	-	-	12,190,850	391,271	-	12,582,121	-	-	-	-	12,582,121	12,190,850		
Factory Shed (WIP)	-	-	2,852,306	-	-	2,852,306	-	-	-	-	2,852,306	2,852,306		
Total (B)	-	-	41,416,571	2,375,611	3,570,834	40,221,348	-	-	-	-	40,221,348	41,416,571		
Grand Total (A+B)	-	-	122,229,546	2,647,946	3,570,834	121,306,658	16,326,816	4,116,788	-	-	20,443,604	100,863,054	105,902,730	

Sub Note:

- 1) Company had started its plant at Lunej, Khambhat in July, 2014 in a premise which was taken on rent. Initially, the promoters of the company were intending to purchase the whole plant including land & building but there was problem in the clearance of title deed. Therefore, the company entered into a rent agreement with the seller for using the said premise for a period of 11 months and to acquire the plant later on when the title is cleared in the name of the seller. The company invested approximately Rs. 3.00 Crores in plant & machineries for commencing its business activities. As the seller could not clear property title in his name even after completion of a year and it was apparent that seller was delaying the sale process unnecessarily, Company decided to leave the project and shut down plant. Company carried out its last transaction in June 2015 and since then Company has neither done any manufacturing nor carried out any sale transaction in business. During period from July 2014 to June 2015, company made total turnover of Rs. 83.29 Lacs (approx) and Company realized the amount of Rs. 74 Lacs (approximately). At present plant is in the possession of Land Owner and Company is planning to sold out its all assets related with plant as it is not viable for the company to do the business. In June 2015 plant possession was taken by the land owner and stocks of Rs. 9.00 Lacs (approximately) were lying in the factory. At present plant is not working but company is regularly filing its Excise Return.

12 Loans and Advances:

Particulars	As At 31-Mar-18 Amount In Rs.		As At 31-Mar-17 Amount In Rs.	
	Long-Term	Short-Term	Long-Term	Short-Term
	Security Deposit			
Unsecured Considered good (Sub Note : 1)	1,834,570	-	1,854,570	-
	1,834,570	-	1,854,570	-
Loans and advances to related parties				
Secured considered good	-	-	-	-
	-	-	-	-
Other Loans and Advances				
GST / Cenvat Receivable (Secured)	-	6,867,985	-	7,906,435
Deposit with Government (Sub Note: 2)		3,033,000		4,933,000
Other Advance to outsiders(Sub Note : 3)	2,769,658	31,208,213	2,769,658	-
Other Receivables	-	-	-	180,382
Advance Tax (including TDS and TCS)	-	160,679	-	333,912
VAT Receivables (Secured)	-	-	-	630,803
	2,769,658	41,269,877	2,769,658	13,984,532
TOTAL (Rs.) :	4,604,228	41,269,877	4,624,228	13,984,532

Sub Note : 1

Security deposit given includes deposit with Uttar Gujarat Vij Company Limited, Sabarmati Gas Limited and Torrent Power Limited.

Sub Note : 2

Deposit with government includes advances made under VAT Appeal made under Gujarat VAT Act.

Sub Note : 3

Other Advances given includes advances made to outsiders. The Interest rate is 12% p.a. and no security have been taken against the same.

13 Inventories:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
	Valued at Cost or NRV whichever is Less	
Raw Material	41,514,415	23,514,767
Finished Goods	12,881,579	3,293,870
Traded Goods	37,879	162,879
Work In Progress	1,435,554	4,632,500
TOTAL (Rs.) :	55,869,427	31,604,016

Sub Note: 1

Inventories as on March 31, 2018 has been taken as certified by management. The same have been physically verified as on March 31, 2018.

14 Trade Receivables:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Unsecured and considered good		
Exceeding six months	59,221,679	94,716,044
Others	150,419,101	272,091,296
TOTAL (Rs.) :	209,640,780	366,807,340

Sub Note:

Amounts receivable from Debtors as on March 31, 2018 taken as certified by management and considered good.

15 Cash and Cash Equivalent:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Balance with Banks	182,662	5,303,814
Fixed Deposits with Banks	1,367,296	1,284,793
Cash In Hand	381,768	679,366
TOTAL (Rs.):	1,931,726	7,267,973

Sub Note: 1

Cash in hand is taken as certified by the management as on March 31, 2018.

16 Short Term Loans and Advances:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Short Term Loans and Advances - (Note : 13)	41,269,877	13,984,532
TOTAL (Rs.) :	41,269,877	13,984,532

Sub Note : 1

Deposit with government includes advances made under VAT Appeal made under Gujarat VAT Act.

Sub Note : 2

Other Advances given includes advances made to outsiders. The Interest rate is 12% p.a. and no security have been taken against the same.

17 Other Current Assets:

Particulars	As At 31-Mar-18 Amount In Rs.	As At 31-Mar-17 Amount In Rs.
Advance to Suppliers (Sub Note: 1)	32,157,581	46,849,258
Income Tax Refund Receivables	998,426	-
Receivable from Government	98,328	-
TCS Receivables	7,703	-
Prepaid Expenses (Sub Note: 2)	59,692	120,924
TOTAL (Rs.) :	33,321,730	46,970,182

Sub Note: 1

Advance to supplier is taken as certified by the management. No security have been given against the same.

Sub Note: 2

Prepaid expenses includes Prepaid Insurance, Memembership, Interenet etc.

18 Revenue from Operations:

Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Sale of Products		
Revenue from sale of products	626,325,559	838,744,260
Sale of Services		
Revenue from Job Work	107,404	533,820
Other operating Revenues		
Packing and Forwarding	680,818	810,235
Quality Claim	-	1,178,584
Gross Revenue from Operations	627,113,781	841,266,899
Less:		
Excise Duty / GST	3,054,386	22,698,978
Net Revenue from Operations	624,059,395	818,567,921

19 Other Income:

Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Interest Income	848,892	771,172
	848,892	771,172
Other Non-Operating Income		
IPO Subsidy Income	500,000	-
Depreciation written back	-	106,120
Gain / Loss on Foreign Exchange	978,890	-
Rent Income	91,800	1,014,000
Profit on Sale / Purchase of License	-	249,246
TOTAL (Rs.) :	2,419,582	2,140,538

20 Cost of Material Consumed:

Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Inventory at the beginning		
Raw Material	23,514,767	23,241,719

Add: Purchases			
Raw Material		358,176,375	148,327,058
Less: Inventory at the end			
Raw Material		41,514,415	23,514,767
TOTAL(Rs.) :		340,176,727	148,054,010
21 Purchase of Stock-In-Trade / Labour:			
	Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
	Purchase of Stock-In-Trade	247,346,465	610,051,429
	Labour Purchase	346,299	1,454,604
	TOTAL (Rs.) :	247,692,764	611,506,033
22 Changes In Inventories:			
	Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
	Inventory at the end of the year		
	Finished Goods	12,881,579	3,293,870
	Work-In-Progress	1,435,554	4,632,500
	Traded Goods	37,879	162,879
		14,355,012	8,089,249
	Inventory at the beginning of the year		
	Finished Goods	3,293,870	9,975,957
	Work-In-Progress	4,632,500	1,964,430
	Traded Goods	162,879	979,483
		8,089,249	12,919,870
	(Increase)/Decrease in Inventories		
	Finished Goods	(9,587,709)	6,682,087
	Work-In-Progress	3,196,946	(2,668,070)
	Traded Goods	125,000	816,604
	TOTAL (Rs.) :	(6,265,763)	4,830,621
23 Employee Benefit Expenses:			
	Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
	Salaries and Wages		
	Bonus Expenses	293,760	115,120
	Director's Remuneration	2,250,000	3,600,000
	Salary and Wages	3,750,174	2,174,938
		6,293,934	5,890,058
	Contribution to Provident Fund and other Funds		
	Contribution to Provident Fund and other Funds	60,831	84,508
		60,831	84,508

Staff Welfare Expenses	50,602	54,469
	50,602	54,469
TOTAL (Rs.) :	6,405,367	6,029,035
24 Finance Costs:		
Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Interest Expenses		
Interest on Short-Term Loans from Banks	8,233,170	12,615,020
Interest on Others	5,454	1,661,232
Interest on Long-Term Loans from Banks	152,278	223,585
	8,390,902	14,499,837
Other Borrowing Costs		
Other Borrowing Costs	432,328	1,297,460
	432,328	1,297,460
TOTAL (Rs.) :	8,823,230	15,797,297
25 Other Expenses:		
Particulars	For the FY 2017-18 Amount In Rs.	For the FY 2016-17 Amount In Rs.
Bad Debts Expenses	638,594	-
Business & Sales Promotion Expenses	16,000	92,171
Canteen Expenses	137,356	-
Clearing and Forwarding Expenses	124,675	1,390,826
Conveyance Expenses	-	284,699
Custom Duty Expenses	105,752	10,783,972
Documentation Charges	-	266,170
Factory Expenses	452,861	368,885
Freight Expenses	660,532	3,503,633
Income Tax Expenses	-	209,030
Indirect Duty Expenses	379,028	266,987
Insurance Expenses	208,409	75,479
Labour Expenses	327,175	1,656,159
Legal & Professional Expenses (including statutory auditor's remuneration)	709,317	948,958
Loss of goods by Theft	918,891	-
Loss on sale of fixed assets	370,834	-
Membership Expenses	147,500	15,741
Municipal Tax Expenses	32,723	68,030
Office Expenses	59,362	79,753
Postage & Courier Expenses	6,753	4,650
Power & Fuel Expenses	9,883,343	8,187,127
Printing & Stationary Expenses	27,340	37,237
Professional Tax Expenses	-	29,950
Rent Expenses	-	60,000

Repairing & Maintenance Expenses	436,682	411,467
ROC Expenses	10,790	14,000
Security Expenses	176,890	240,533
Store Purchase Expenses	2,211,167	1,838,466
Sundry Balances written off	28,752	(6,499,600)
Telephone Expenses	114,920	221,193
Travelling Expenses	16,814	191,563
TOTAL (Rs.) :	18,202,460	24,747,079

26 Earning Per Share:

Particulars	As At 31-Mar-18		As At 31-Mar-17	
	Amount In Rs.		Amount In Rs.	
	Before Extra Ordinary Items	After Extra Ordinary Items	Before Extra Ordinary Items	After Extra Ordinary Items
Basic				
Profit after Tax (A)	4,715,282	4,715,282	3,421,777	3,421,777
Weighted average no. of shares outstanding (B)	10,738,100	10,738,100	10,360,018	10,360,018
Shares issued under IPO				
Basic EPS (A)/(B)	0.44	0.44	0.33	0.33
Diluted EPS (A)/(B)	0.44	0.44	0.33	0.33
Face Value per Share	10.00	10.00	10.00	10.00

27 Trade Receivables, Trade Payables, Loans & Advances, Cash on Hand has been taken at Book Value subject to confirmations and reconciliation.

28 Loans and Advances are considered good in respect of which company does not hold any security other than the personal guarantee of persons.

29 Excise Duty has not taken into account for valuation of finished goods looking at factory site in view of accounting policy. The same has no impact on statement of Profit & Loss.

30 Related Party Disclosures:

30.1 Related Parties & their Relationship

As per AS 18, the disclosures of transactions with the related parties are given below:

i) List of Related parties where control exists and related parties with whom transactions have taken place and relationships:

Sr. No.	Name of Related Parties**	Relationship
(i)	Satish Asamal Mehta	Managing Director
(ii)	Asamal Siremal Mehta	Director
(iii)	Jayesh Asamal Mehta	Director
(iv)	Haresh Asamal Mehta	Director

30.2 Transactions with Related Parties

Particulars	Nature of Transaction	Amount (In Rs.)
Satish Asamal Mehta	Director Remuneration	900,000
Asamal Siremal Mehta	Director Remuneration	225,000
Jayesh Asamal Mehta	Director Remuneration	900,000
Harish Asamal Mehta	Director Remuneration	225,000

##Only those related party names are mentioned with whom transactions have took place during the year.

31 All assets and Liabilities are presented as Current or Non-Current as per criteria set out in Schedule - III to the Companies Act, 2013 as notified by Ministry of Corporate Affairs. Based on the nature of operation of the company and realization from the trade receivables, the company has ascertained its operating cycle of less than 12 months. Accordingly 12 months period has been considered for the purpose of Current / Non Current classification of assets and liabilities.

32 The SSI Status of the creditors is not known to the company; hence the information is not given.

33 Capacity of Plant:

Class of Goods	UOM	Installed Capacity
Copper & Brass Items	MT	2400

34 Segment Reporting:

The Company has started the new business segment but the same is not fulfilling the requirement specified under "Reportable Segment" as per the AS-17 Segment Reporting. So the Company is not liable to disclose the same.

35 Payment to Auditor as:

Sr. No.	Auditor	2017-18	2016-17
i)	Statutory Audit	150,000	150,000
ii)	Tax Audit	40,000	40,000

36 Previous year's figures have been regrouped and rearranged wherever necessary.

For Piyush J. Shah & Co.
FRN : 121172W
Chartered Accountants

Piyush J. Shah
Partner
M.No. : 108670

Place : Ahmedabad
Date : 28th May 2018

For SagarDeep Alloys Limited

Satish Asamal Mehta
Chairman & Managing
Director
DIN – 01958984

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Krishnakant Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

FORM AOC-1

Statement containing salient features of the Financial Statement of Subsidiary Company
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

Sr No.	Particulars
1	Name of Subsidiary
2	Reporting Period
3	Reporting Currency
4	Country
5	Capital
6	Reserves
7	Total Assets
8	Total Liabilities
9	Total Investments
10	Turnover/Total Income
11	Profit Before Tax
12	Provision for Taxation
13	Profit After Taxation
14	Proposed Dividend
15.	% of shareholding

For SagarDeep Alloys Limited

Satish Asamal Mehta
Chairman & Managing Director
DIN – 01958984

Krishnakant Somani
Chief Financial Officer

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Barkha Deshmukh
Company Secretary

ATTENDENCE SLIP

SAGARDEEP ALLOYS LIMITED

(CIN: L29253GJ2007PLC050007)

**205, PITTALAYA BUMBA, NR MADHURAM CINEMA, GHEE KANTA, AHMEDABAD-01,
GUJARAT**

DPID/ CLIENT ID: _____

Registered Folio No.: _____

No of Shares: _____

Name(s) and address of the Shareholders/Proxy in Full:

*I, Certify that I am a Shareholder/ Proxy of the Shareholder of the Company. I/We hereby accord my/our presence at the **11th Annual General Meeting** of the Company being held on Wednesday, July 25, 2018 at 11.30 AM at the registered office of the Company at 205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad -380001.*

Signature of Shareholder/ Proxy

NOTE: Please fill in the Attendance Slip and hand it over at the entrance of the Hall.

SAGARDEEP ALLOYS LIMITED

Registered office: 205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad – 38000
CIN: L29253GJ2007PLC050007 Email: secretary@sdalloys.com Website: www.sdalloys.com Tel. no.: 079-25626304

FORM MGT-11

PROXY FORM

Pursuant to Section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of member(s):

Registered Address:

Folio No/Client Id:

Email:

DP Id:

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

1. Name:
Address:

E-mail id:

Signature:

or failing him/her

2. Name:
Address:

E-mail id:

Signature:

or failing him/her

3. Name:
Address:

E-mail id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/ us on my / our behalf at the 11th Annual General Meeting of the Company to be held on Wednesday, July 25, 2018 at 11.30 AM at the Registered office of the company situated at 205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad – 380001 and any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTION

Optional

Ordinary Business

- 1 To receive, consider and adopt
 - a) the audited Standalone Financial Statement of the Company for the financial year ended March 31, 2018 and the reports of the Board of Directors and Auditors thereon; and
 - b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2018 and the reports of the Auditors thereon.
- 2 To appoint a Director in place of Mr. Satishkumar A Mehta (DIN: 01958984) who retires by rotation and being eligible, offers himself for re-appointment.

Special Business

- 3 To shift registered office of the Company
- 4 Ratification of remuneration of Cost Auditor of the Company

Signed this _____ day of _____, 2018

Signature of shareholder _____

Signature of first proxy holder Signature of second proxy holder Signature of third proxy holder

Notes:

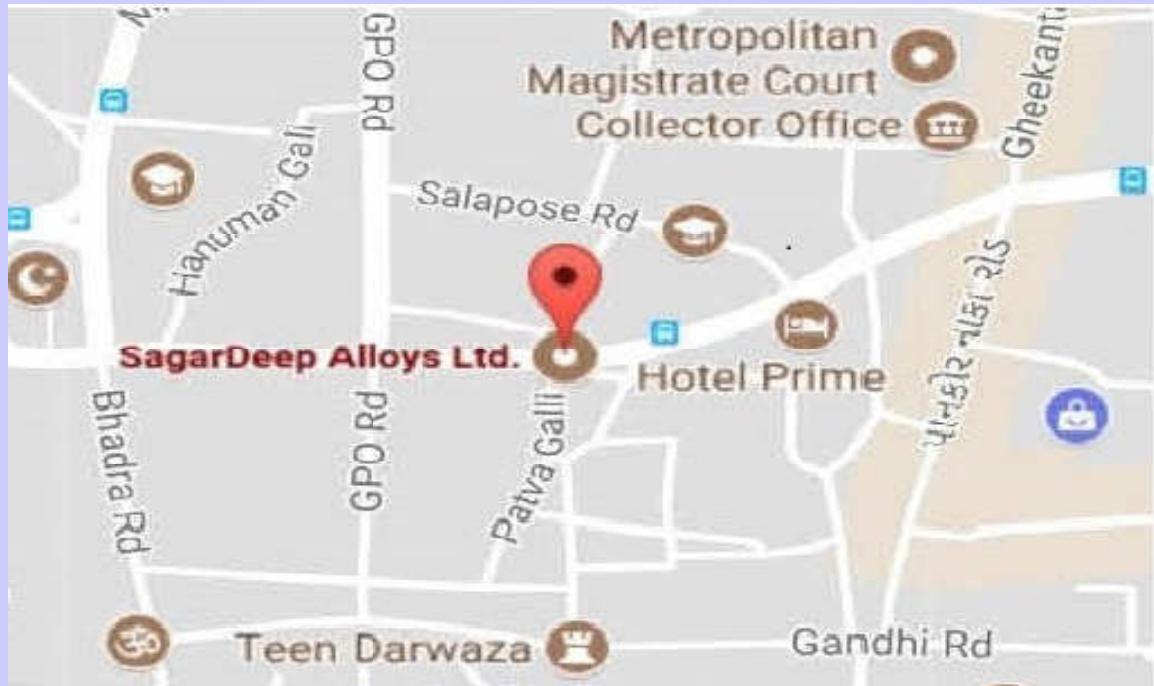
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

** This is only optional. Please put 'X' in the appropriate Column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' Column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

ROUTE MAP TO AGM VENUE



SAGARDEEP ALLOYS LIMITED
(CIN: L29253GJ2007PLC050007)
205, PITTALAYA BUMBA, NR MADHURAM CINEMA, GHEE KANTA, AHMEDABAD-
01, GUJARAT
