

22/09/2017

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 2016-17 duly approved and adopted by the shareholders of the Company as per the provisions of the Companies Act, 2013, at the 10th Annual general meeting held on 21st September, 2017.

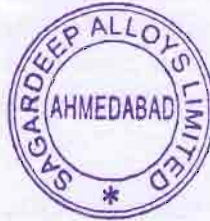
Kindly take the above information on your record.

Thanking You,

Yours faithfully,

For, SAGARDEEP ALLOYS LIMITED


SATISHKUMAR MEHTA
Managing Director
(DIN: 01958984)



ANNUAL REPORT 2016-17

SAGARDEEP ALLOYS LIMITED
(CIN: L29253GJ2007PLC050007)

COMPANY INFORMATION

<u>Board of Directors</u>	
Mr.Satishkumar Asamal Mehta	Chairman & Managing Director (Din: 01958984)
Mr.Jayeshkumar Ashmal Mehta	Whole-Time Director (Din: 02156140)
Mr.Asamal Saremalji Mehta	Chairman & Whole-Time Director (Din: 01900671) (upto 17 th July, 2017)
Mr.Hemendra Bhailal Patel	Independent Director (Din: 01827562)
Mrs.Vinita Pankaj Maheshwari	Independent Director (Din: 07187365)
Mr.Jitendrakumar Dhanjibhai Patel	Additional Independent Director (Din: 07369309)
Mr.Harishkumar Ashmalji Mehta	Whole-Time Director (Din: 02156161) (upto 17 th July, 2017)
Mr.Hemang Mahendrakumar Panchal	Independent Director (Din: 05223780) (upto 17 th July, 2017)
Mr. Nileshkumar Patel	Independent Director (DIN: 07256467) (upto 20 th December,2016)
<u>Chief Financial Officer</u>	Mr. Bhavik R Somani (upto 01 st July, 2017) Mr. Krishnakant Somani (w.e.f 17 th July, 2017)
<u>Company Secretary & Compliance Officer</u>	Mr. Dileep Panchal (Upto 07 th April, 2017) Ms. Barkha Deshmukh (w.e.f 07 th April, 2017)
<u>Registered Office</u>	205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad-380001, Phone: 079-25626304, 25626335
<u>E- Mail & Website</u>	secretary@sdalloys.com, investors@sdalloys.com www.sdalloys.com
<u>Statutory Auditors</u>	M/s. Piyush J Shah & Co 504-B, Shikhar Complex, Nr. Vadilal House, Mithakali Six Roads,Navrangpura, Ahmedabad-380009
<u>Banker</u>	<i>Bank of Baroda</i>
<u>Registrar & share Transfer Agent</u>	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 10th (Tenth) Annual General Meeting of the Shareholders of SAGARDEEP ALLOYS LIMITED will be held on Thursday, 21st September, 2017 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, 2017 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, 2017 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.
3. To ratify the appointment of M/s. Piyush J Shah & Co., Statutory Auditors of the Company.

SPECIAL BUSINESS

- 4. To appoint Mr. Jitendrakumar Dhanjibhai Patel (Din: 07369309) as an Independent Director of the Company.**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made there under and Schedule IV to the said Act, Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Jitendrakumar Dhanjibhai Patel (Din: 07369309) who was appointed as an Additional Director of the Company under the category of Independent director w.e.f. 27.02.2017 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 to propose him as a candidate for the office of the Director of the Company, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation for a period of five (5) consecutive years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to sign the form DIR-12 and make arrangement to file the same with Registrar of Companies and intimate to Stock Exchange(s) and to take such other steps as may be necessary in this regard.”

- 5. Ratification of Remuneration of Cost Auditor of the Company and to consider and 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, 2018 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.”

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

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

Date: 17/07/2017
Place: Ahmedabad

*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 business to be transacted at the meeting, is annexed hereto.
3. Electronic copy of the Annual Report for FY 2016-17 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. Members may also note that the Notice of Annual General Meeting and Annual Report for 2016-17 will also be available on the Company's website www.sdalloys.com.
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 Thursday, 14th September, 2017 to Thursday, 21st September, 2017 (both days inclusive).
6. Members/ Proxies are requested to bring their attendance slip duly filled in long with copies of their annual report.
7. 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.
8. 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.
9. 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.
10. 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**.
11. 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.
12. 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.
13. 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.

14. 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.
15. 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.
16. 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.
17. Notice of this Annual General Meeting, Audited Financial Statements for 2016-17 along with Directors' Report and Auditors' Report are available on the website of the Company -www.sdalloys.com.
18. 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.
19. 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 10th 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	Jitendrakumar Dhanjibhai Patel	Jayeshkumar Mehta
DIN	07369309	02156140
Date of Birth	08/07/1982	03/08/1979
Date of Appointment	23/02/2017	05/05/2008
Relationship Between Directors <i>inter se</i>	Nil	Son of Asamal Mehta; Brother Satishkumar A Mehta Harish A Mehta
Expertise in Specific functional area	Expertise and wide knowledge in metal industry of more than 8 years	Sales & Marketing
Qualification	M.Com	HSC
Other Board Membership*	Nil	Nil

Committee Membership in other public companies	Nil	Nil
Number of Shares held in the Company	Nil	1751500 equity shares

**Pvt. Companies excluded*

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

Item No. 4

Mr. Jitendrakumar Dhanjibhai Patel was appointed as an additional director under the category of Independent Director of the Company w.e.f 23.02.2017. Under section 161 of the Companies Act, 2013, Mr. Jitendrakumar Dhanjibhai Patel holds his office upto the date of ensuing Annual General Meeting. Due notice under section 160 of the Act has been received to propose him as a candidate for the office of Director of the Company along with the requisite deposit of Rs. 1,00,000. The Board is also of the opinion that based on the declarations submitted by Mr. Jitendrakumar Dhanjibhai Patel, he fulfills the criteria relating to his independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Mr. Jitendrakumar Dhanjibhai Patel does not hold any equity share of the Company.

The period of office of Mr. Jitendrakumar Dhanjibhai Patel shall not be liable to determination by retirement of Directors by rotation, in terms of Section 149 (13) of the Companies Act, 2013 and the relevant rules made thereunder.

Brief profile of Mr. Jitendrakumar Dhanjibhai Patel in terms of Regulation 36 (3) of the Listing Regulations is forming part of this notice. Mr. Jitendrakumar Dhanjibhai Patel is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board recommends passing of the resolution as set out in Item No. 4 of this Notice.

None of the Director of the Company except Mr. Jitendrakumar Dhanjibhai Patel is concerned or interested in this resolution.

Item No. 5

The Board at its meeting held on 17th July, 2017 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 2017-18 on a remuneration of Rs.33,000/- (excluding Taxes) plus reimbursement of out of pocket expanses 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.

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

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

Date: 17/07/2017
Place: Ahmedabad

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

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the 10th Annual Report along with Audited Financial Statements of your Company for the financial year ended 31st March, 2017.

1. Financial Results

During the year under review, your Company has achieved a total net sale of Rs.7252.79 lakhs and achieved Net Profit after Tax (NP) of Rs.27.16 lakhs. There is decrease in sale and profit earned during the current year in comparison to that of previous year however your directors are hopeful about the performance to be improved of the Company in the coming years. The financial highlights for the year 2016-17 are as under:

(Standalone) (Amount in Rs. lakh)

Particulars for the year ended	March 31, 2017	March 31, 2016
Net revenue from Operations	7252.79	12729.37
Profit Before Depreciation and Tax	84.39	125.42
Less: Depreciation	39.50	41.26
Profit Before Tax	44.89	84.15
Less: Provision for Taxation (including deferred tax)	17.73	44.39
Profit After Tax	27.16	39.75
EPS (Basic)	0.25	0.47
EPS (Diluted)	0.25	0.47

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, 2017.

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, there is no change in the nature of business of the Company.

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.

7. Consolidated Financial Statement

The Financial Statement of the Company for the Financial year 2016-17 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 (hereinafter referred to as the SEBI Regulation). 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. The Financial Statements as stated above are also available on the website of the Company and can be accessed at the web link www.sdalloys.com

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 loan, guarantee or provided security in connection with the loan to any other body corporate or person or made any investments hence no particulars of the loans, guarantees or investments falling under the provisions of Section 186 of the Companies Act, 2013 are provided by the Board.

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

I. 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 7 times on 25/04/2016, 12/05/2016, 13/08/2016, 10/10/2016, 12/11/2016, 30/12/2016 and 23/02/2017 during the year. The Composition, category and attendance of each Director at the Board and Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various companies is as follows:-

Name of Director	Designation	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	7	4	Yes
Mr. Jayeshkumar A Mehta	Whole Time Director	Promoter	7	5	Yes
Mr. Asamal S Mehta*	Whole Time Director	Promoter	7	7	Yes
Mr. Harish A Mehta*	Whole Time Director	Promoter	7	4	No
Mr. Hemang M Panchal*	Non-Executive Director	Independent	7	1	No
Mr. Hemendra B Patel	Non-Executive Director	Independent	7	1	No
Mr. Nileshkumar D Patel#	Non-Executive Director	Independent	7	2	Yes
Mrs. Vinita P Maheshwari	Non-Executive Director	Independent	7	5	Yes
Mr. Jitendra Patel**	Non-Executive Director	Independent	7	-	No

*ceased to be director w.e.f 17.07.2017

ceased to be director w.e.f 20.12.2016

** appointed as a director w.e.f 23.02.2017

II. APPOINTMENT:

Appointment of Mr. Jitendrakumar Dhanjibhai Patel as an additional director of the Company:

During the year under review, in accordance with the provisions of Section 149(1) and 161(1) of the Companies Act, 2013 Mr. Jitendrakumar Dhanjibhai Patel (DIN: 07369309) was appointed as Additional Director by the Board of Directors of the Company in their Meeting held on 23rd February, 2017.

The relevant details including profile of Mr. Jitendrakumar Dhanjibhai Patel is included separately in the Notice calling the 10th Annual General Meeting of the Shareholders.

III. CESSATIONS:

Mr. Nileshkumar Patel

During the year under review, Mr. Nileshkumar Patel [DIN- 07256467], Director of the Company has resigned from the directorship of the Company with effect from 20/12/2016.

The Board places on record its appreciation for contributions and guidance provided by Mr. Nileshkumar Patel during his respective tenure as a Director of the Company.

Mr. Hemang Panchal

The Board of directors in the meeting held on 17th July, 2017 accepted the resignation of Mr. Hemang Panchal, Director of the Company and he ceased to be the director of the Company w.e.f 17.07.2017.

The Board places on record its appreciation for contributions and guidance provided by Mr. Hemang Panchal during his respective tenure as a Director of the Company.

Mr. Asamal Mehta & Mr. Harishkumar Mehta

The Board of directors in the meeting held on 17th July, 2017 accepted the resignation of Mr. Asamal Mehta, Chairman & Whole-time Director & Mr. Harishkumar Mehta, Whole-time Director of the Company and they ceased to be the directors of the Company w.e.f 17.07.2017.

The Board places on record its appreciation for contributions and guidance provided by Mr. Asamal Mehta & Mr. Harishkumar Mehta during their respective tenure as a Whole-time Director of the Company.

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. 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 10th Annual General Meeting.

VI. Key Managerial Personnel

Company Secretary

Mr. Dileep Panchal, Company Secretary and Compliance Officer of the Company resigned from the post of Company Secretary and Compliance Officer of the Company w.e.f 07th April, 2017. Further, pursuant to recommendation of Nomination and Remuneration

Committee, Ms. Barkha Deshmukh, qualified Company Secretary was appointed as the Company Secretary and Compliance Officer of the Company w.e.f 07th April, 2017 by the board of directors in their meeting held on 07th April, 2017.

Chief Financial Officer

Mr. Bhavik Somani, Chief Financial Officer of the Company resigned from the post of Chief Financial Officer of the Company w.e.f 01st July, 2017. Further, pursuant to recommendation of Nomination and Remuneration Committee, Mr. Krishnakant Somani was appointed as the Chief Financial Officer of the Company w.e.f 17th July, 2017 by the board of directors in their meeting held on 17th July, 2017.

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. 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	1
Mrs. Vinita Maheshwari**	Non Executive Independent Director	Member	4	1
Mr. Harish A Mehta#	Executive Director	Member	4	3
Mr. Nileshkumar D Patel*	Non Executive Independent Director	Chairman	4	2

Mr. Hemendra Patel##	Non Executive Independent Director	Member	4	1
Mr. Satish A Mehta###	Executive Director	Member	4	-

*Ceased to be chairman and member of the Committee w.e.f 20.12.2016

**Inducted as member and chairman of the committee w.e.f 23.02.2017

***Inducted as member of the Committee w.e.f. 23.02.2017

#ceased to be member of the Committee w.e.f 23.02.2017

##ceased to be member of the Committee w.e.f 23.02.2017

###Inducted as member of the Committee w.e.f. 23.02.2017

As on the date of this report, the Audit Committee comprises of three members viz. Mr. Jitendrakumar Patel, Mrs. Vinita Maheshwari and Mr. Satish A Mehta.

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 2016-17 at the Registered Office of the Company on 12/05/2016, 13/08/2016, 12/11/2016, 10/03/2017. The Company Secretary acts as Secretary to the Audit Committee and no personnel has been denied access to the Audit Committee.

13. 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	No. of meetings held	No. of meetings attended
Mr. Jitendrakumar Patel**	Non Executive Independent Director	Chairman	1	-
Mrs. Vinita P Maheshwari	Non Executive Independent Director	Member	1	1
Mr. Hemendra B Patel	Non Executive Independent Director	Member	1	-
Mr. Nileshkumar D Patel*	Non Executive Independent Director	Chairman	1	1

*Ceased to be chairman and member of the Committee w.e.f 20.12.2016

**Inducted as member and chairman of the committee w.e.f 23.02.2017

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).

One meeting was held during the year 2016-17 at the Registered Office of the Company on 13/08/2016.

14. 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 Maheshwari P	Non Executive Independent Director	Chairman
Mr. Hemang M Panchal	Non Executive Independent Director	Member
Mr. Satishkumar Mehta A	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.

15. Compliance Officer

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

16. 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.

17. 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.

18. 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.

19. Winding up Notice

During the period under review, the Company has been issued winding up notice u/s 433 and 434 of the companies Act ,1956 by its supplier/lender M/S Sheth Sanwalia Metals Private Limited with claim of Rs.4,69,19,040/- (including principal amounting to Rs.3,95,50,000/- and interest on the same at the rate of 18% per annum, amounting to Rs.73,69,040/-) and also filed criminal complaint against two directors of the Company. During the current Financial Year, the company supplied goods worth Rs.4,43,59,197/- to M/s Sheth Sanwalia Metals Private Limited, which the said company has alleged the receipt of goods.

The company has not accepted the contentions of M/S Sheth Sanwalia Metals Private Limited and gave legal reply against winding up notice on 01/08/2016. The details relating to the same has also been noted in the Note No. 38 of "Notes to Financial Statement".

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).

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company shall place the matter relating to such appointment for ratification by members at every annual general meeting and therefore it is proposed to ratify the appointment of M/s. Piyush J Shah & Co., Chartered Accountants, as the Statutory Auditors of the Company.

The consent of M/s. Piyush J Shah & Co., Chartered Accountants along with the certificate under Section 139 of the Act has been obtained to the effect that their appointment, if ratified, shall be in accordance with the prescribed conditions and that they are eligible to hold the office of the Auditors of the Company.

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 13.08.2016 has appointed M/s. Soni & Associates, Cost Accountants (FRN 102850) as Cost Auditor of the Company for the financial year 2016-17. Further, the remuneration of the Cost Auditor was ratified by members of the Company in their annual general meeting held on 30.09.2016.

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. There was no foreign exchange inflow or Outflow during the year under review.

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. 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.

27. 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, 2017, 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.

28. Listing

Your directors are pleased to inform you that the Company in the financial year 2016-17 brought the Initial Public Offer of its equity shares and got listed its shares on SME platform of NSE (NSE EMERGE) on 17th May, 2016.

As on the date of this report, the 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 2016-17.

29. 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.

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

30. 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 the Board of Directors

Date: 17/07/2017
Place: Ahmedabad

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

Annexure- "A"

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN OF SAGARDEEP ALLOYS LIMITED

As on financial year ended on 31.03.2017

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</i>
1	Manufacture of Basic precious and Non ferrous- alloys	2720	25.00%
2	Whole sale of Metals and Metal Ores	5142	75.000%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr . No	Name & Address of the Company	CIN	Holding/Subsidiar y/ Associate	% of Shares held	Applica ble 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 01-04-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% 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	92.43	7738100	-	7738100	68.05	(24.38)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d)Bodies Corporation	633500	-	633500	7.57	633500		633500	5.57	(2.00)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	8371600	-	8371600	100	8371600	-	8371600	73.62	(26.38)
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	1.31
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-					
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	-	-	-	378000	-	378000	3.32	3.32
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	2406000	-	2406000	21.16	21.16
c) Others (specify) HUF	-	-	-	-	66000	-	66000	0.58	0.58
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	3000000	-	3000000	26.38	26.38
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	3000000	-	3000000	26.38	26.38
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	8371600	-	8371600	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	17.52	-	1466950	12.90	-	(4.62)
2	Harish A Mehta	128000	1.53	-	128000	1.13	-	(0.4)
3	Jayeshkumar A Mehta	1751500	20.92	-	1751500	15.40	-	(5.52)
4	Satishkumar A Mehta	1578550	18.36	-	1578550	13.88	-	(4.48)
5	Mehta Aashmalji Saremal Ji HUF	549000	6.56	-	549000	4.83	-	(1.73)
6	Jayesh Ashmalji Mehta HUF	207000	2.47	-	207000	1.82	-	(0.65)
7	Satish A Mehta HUF	219000	2.62	-	219000	1.92	-	(0.70)
8	Ramesh Asamal Mehta	102000	1.22	-	102000	0.89	-	(0.33)
9	Rekha Jayesh Mehta	287000	3.43	-	287000	2.52	-	(0.91)
10	Rinika Harish Mehta	79000	0.94	-	79000	0.69	-	(0.25)
11	Sangita Satishkumar Mehta	329500	3.94	-	329500	2.89	-	(1.05)
12	Ugamdevi A Mehta	1040600	12.43	-	1040600	9.15	-	(3.28)
13	Sagardeep Engineers Pvt Ltd	633500	7.57	-	633500	5.57	-	(2.00)

** The shareholding of Promoter/Promoter Group has not changed in absolute numbers. The variation in terms of percentage is due to increase in paid-up share capital of the Company on account of allotment of shares pursuant to IPO during the year 31st March, 2017.

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	100	8371600	100
	Transfer during the year	No change			
	At the end of the year	8371600	73.62	8371600	73.62

** The shareholding of Promoter/Promoter Group has not changed in absolute numbers. The variation in terms of percentage is due to increase in paid-up share capital of the Company on account of allotment of shares pursuant to IPO during the year 31st March, 2017.

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.	INNOVATE SECURITIES PVT. LTD.				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	150000	1.32	150000	1.32
	At the end of the year	150000	1.32	150000	1.32
2.	ASHOK DEVJIBHAI PARMAR				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	660000	5.80	660000	5.80
	At the end of the year	660000	5.80	660000	5.80
3.	SIDDHI SURESHKUMAR SHAH				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	312000	2.74	312000	2.74
	At the end of the year	312000	2.74	312000	2.74
4.	INANI SURESHKUMAR R				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	222000	1.95	222000	1.95
	At the end of the year	222000	1.95	222000	1.95
5.	JASHWANTLAL MANILAL PATEL				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	132000	1.16	132000	1.16
	At the end of the year	132000	1.16	132000	1.16
6.	NILESH JASHVANTLAL PATEL				
	At the beginning of the year	-	-	-	-

	Allotment on 12/05/2016	132000	1.16	132000	1.16
	At the end of the year	132000	1.16	132000	1.16
7.	MUKESH S INANI				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	78000	0.68	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	-	-	-	-
	Allotment on 12/05/2016	72000	0.63	72000	0.63
	At the end of the year	72000	0.63	72000	0.63
9.	KAVITA LADULAL INANI				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	60000	0.53	60000	0.53
	At the end of the year	60000	0.53	60000	0.53
10.	INANI LADULAL MADANLAL				
	At the beginning of the year	-	-	-	-
	Allotment on 12/05/2016	60000	0.53	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	18.86	1578550	18.86
	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	20.92	1751500	20.92
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1751500	15.40	1751500	15.40
3	Asamal S Mehta*				
	At the beginning of the year	1466950	17.52	1466950	17.52
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	1466950	12.91	1466950	12.91
4	Harish A Mehta**				
	At the beginning of the year	128000	1.53	128000	1.53
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	128000	1.12	128000	1.12

5	Hemendra B Patel	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Hemang M Panchal***	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Nileshkumar D Pate****	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Vinita P Maheshwari	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Jitendrakumar Patel*****				
	At the beginning of the year				
	Date wise Increase / Decrease in Shareholding during the year				
	At the end of the year				
10	Bhavik R Somani#	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-
11	Dileep Panchal##	-	-	-	-
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	-	-

*Mr. Asamal Mehta ceased to be director of the company w.e.f. 17th July, 2017.

**Mr. Harishkumar Mehta ceased to be director of the company w.e.f. 17th July, 2017.

***Mr. Hemang Panchal ceased to be director of the company w.e.f. 17th July, 2017.

****Mr. Nileshkumar Patel ceased to be director of the company w.e.f. 20th December, 2016.

*****Mr. Jitendrakumar Patel appointed as director of the company w.e.f. 23rd February, 2017.

#Mr. Bhavik R Somani resigned from the post of Chief Financial Officer (CFO) w.e.f. 01/07/2017.

##Mr. Dileep Panchal resigned from the post of Company Secretary (CS) w.e.f. 17.04.2017.

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	1348.02	-	-	1348.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1348.02	-	-	1348.02
Change in Indebtedness during the financial year				
* Addition			-	-
* Reduction	414.33	-	-	414.33
Net Change	414.33	-	-	414.33
Indebtedness at the end 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

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>
		Satish A Mehta (MD)	Asamal S Mehta (WTD)	Jayesh A Mehta (WTD)	Harish A Mehta (WTD)	
1	Gross salary	9,00,000/-	9,00,000/-	9,00,000/-	9,00,000/-	36,00,000/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(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/-	9,00,000/-	9,00,000/-	9,00,000/-	36,00,000/-
	Ceiling as per the Act*					42 lacs

* Due to inadequacy of Profit for the year 2015-16 & pursuant to Section 197 of the Companies Act, 2013 & Schedule V, the ceiling limit is being calculated amounting to Rs. 42 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. Nileshkumar D Patel*	Mr. Hemendra B Patel	Mr. Hemang M Panchal**	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					

*Mr. Nileshkumar D Patel ceased to be director w.e.f 20.12.2016

** Mr. Hemang Panchal ceased to be director w.e.f. 17.07.2017

***Mr. Jitendrakumar Patel appointed as director w.e.f. 23.02.2017.

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

Sr No	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
1	Gross salary	4,80,000	304500	784500
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(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 (Employer Contribution to PF)	21600	18900	40500
	Total	5,01,600	323400	825000

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, 2017

[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, 2017** ('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, 2017** according to the provisions of:

- i. The Companies Act, 2013 (**the Act**) and the rules made there under and Companies Act, 1956 and Rules made there under to the extent applicable.
- 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. (**not applicable to the company during the audit period**)
- 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.
- (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;

- (i) Income-Tax Act, 1961 and Indirect Tax Laws;

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 during the audit period the Company has issued 30,00,000 equity shares of Rs.10/-each at a premium of Rs.10/- per share through Initial Public Offer (IPO) and listed its equity shares on SME platform of National Stock Exchange (NSE EMERGE) on 17th May, 2016.

However there were no other instances of:

- (i) Rights/Preferential issue of Shares/debentures/sweat equity.
- (ii) Redemption/buy-back of securities.
- (iii) Merger/ amalgamation etc. except the scheme of capital reduction as detailed hereinabove.
- (iv) Foreign technical collaborations.

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

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

Place: Ahmedabad

Date:17/07/2017

Note: This report is to be read with our 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:17/07/2017

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	2.90times
		WTD	2.90times
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	8	
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.

COMPETITION

The industry in which we operate is highly competitive. Competition emerges from small as well as big players in the copper industry. The organized players in the industry compete with each other by providing high quality time bound products and value added services. We have a number of competitors offering services similar to us. With the growing markets, competition is bound to increase. The Company faces competition with other similar players located in the markets to which we cater. The Company is focusing on maintaining the quality of our final product to sustain the competition. The Company believes that we enjoy certain key competitive strengths which will help us to grow in future and will enable us to perform still better in the time to come.

GENERAL ECONOMIC AND BUSINESS CONDITIONS

As a Company with its complete operations in India, we are affected by general economic conditions in the country and in particular economic factors that affect copper industry in India. India's gross domestic product, or GDP, has been and will continue to be of importance in determining our operating results and future growth.

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, 2017	March 31, 2016
Net revenue from Operations	7252.79	12729.37
Profit Before Depreciation and Tax	84.39	125.42
Less: Depreciation	39.50	41.26
Profit Before Tax	44.89	84.15
Less: Provision for Taxation (including deferred tax)	17.73	44.39
Profit After Tax	27.16	39.75
EPS (Basic)	0.25	0.47
EPS (Diluted)	0.25	0.47

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.

For and on behalf of the Board of Directors

Date: 17/07/2017

Place: Ahmedabad

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, 2017**, 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, 2017 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) 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;
- d) In our opinion, the aforesaid standalone financial statements comply with the

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

- e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B"; and
- g) 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: 25th May, 2017

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 01-04-2016 to 31-03-2017, 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 any body corporate 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 Statue	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/-	-	DCCT-A
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
Income Tax Act	Income Tax	20,81,000	2012-13	CIT-A

- 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 raised Rs.6.00 /- crores by way of Initial Public offer and the same have been applied for the purpose for which it was raised.
- 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.

- x i) 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.
- x ii) 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.
- x iii) 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.
- x iv) According to the information and explanations given to us, the company had not made preferential allotment of shares or fully or partly convertible debentures during the year/period under review and so the requirement of section 42 of the Companies Act, 2013 is not applicable.
- x v) 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.
- x vi) 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: 25th May, 2017

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, 2017** 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, 2017, 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: 25th May, 2017

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	AMOUNT IN Rs.	
		31-Mar-17	31-Mar-16
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	02	1137,16,000	837,16,000
(b) Reserves and surplus	03	1248,34,574	934,89,951
		2385,50,574	1772,05,951
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	04	10,53,410	17,70,773
(b) Deferred Tax Liability (Net)	05	54,36,975	46,29,889
(c) Long Term Provisions	06	-	-
(d) Other Non current liabilities		-	-
		64,90,385	64,00,662
4 Current liabilities			
(a) Short Term Borrowings	07	915,98,267	1323,85,443
(b) Trade payables	08	1536,96,690	501,80,744
(c) Other Current Liabilities	09	13,61,294	437,43,808
(d) Short term Provisions	10	1,27,823	4,15,883
		2467,84,074	2267,25,878
		4918,25,033	4103,32,491
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		543,83,379	580,54,058
(ii) Intangible assets			
(iii) Capital work-in-progress		110,14,400	91,10,733
(iv) Intangible assets under development			
(b) Non-current Investments	12	516,20,000	516,20,000
(c) Long - Term Loans and Advances	13	18,34,570	24,66,099
(d) Other Non-current Assets		-	-
		1188,52,349	1212,50,890
2 Current assets			
(a) Inventories	14	316,41,137	352,32,523
(b) Trade receivables	15	2733,89,330	2315,56,064
(c) Cash and cash equivalents	16	70,48,064	32,08,149
(d) Short-term loans and advances	17	608,94,153	190,84,865
		3729,72,684	2890,81,601
		4918,25,033	4103,32,491

Summary of significant accounting policies

1 to 38

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 : 25th May 2017

For SagarDeep Alloys Limited

Asamal Siremal Mehta
Chairman
DIN – 01900671

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Bhavik R. Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2017

Particulars	Note	AMOUNT IN	
		Rs. 31-Mar-2017	Rs. 31-Mar-2016
I. Revenue From Operations			
Sales	18	7479,78,671	13230,28,278
Less: Excise Duty	19	226,98,978	500,91,341
		7252,79,693	12729,36,937
II. Other Income	20	75,93,428	1,15,550
III. Total Revenue (I + II)		7328,73,121	12730,52,487
IV. Expenses:			
Cost of materials consumed	21	1480,54,010	3912,24,814
Purchase of Stock In Trade	22	5209,68,537	7819,06,844
Changes in Inventories	23	38,64,434	(34,10,434)
Employee benefits expenses	24	60,29,035	60,99,855
Finance costs	25	146,30,927	195,24,329
Depreciation and amortization expense			
(i) Depreciation for the year		39,50,679	41,26,672
(ii) Preliminary Expenses W/off		-	-
Other expenses	26	308,86,334	651,64,774
Total expenses		7283,83,956	12646,36,854
V. Profit before exceptional and extraordinary items		44,89,165	84,15,633
VI. Exceptional items			
Prior Period Income		-	-
VII. Profit before extraordinary items and tax (V - VI)		44,89,165	84,15,633
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		44,89,165	84,15,633
X. Tax expense:			
(1) Current tax		9,66,016	24,59,549
(2) Deferred tax		8,07,086	18,14,919
(3) Short / (Excess) Provision		-	1,65,300
XI Profit (Loss) for the period		27,16,063	39,75,865
XII Earnings per equity share:	27		
(1) Basic			
(i) Before Extraordinary Items		0.25	0.47
(ii) After Extraordinary Items		0.25	0.47
(2) Diluted			
(i) Before Extraordinary Items		0.25	0.47
(ii) After Extraordinary Items		0.25	0.47

Summary of significant accounting policies

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
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Bhavik R. Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

1 to 38

STANDALONE CASH FLOW STATEMENT FOR 01-04-2016 TO 31-03-2017

PARTICULARS	AMOUNT IN	
	Rs. 31-Mar-2017	Rs. 31-Mar-2016
Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	44,89,165	84,15,633
Adjusted for:		
Depreciation & amortization	39,50,679	41,26,672
Interest income on loans & advances given	(7,71,172)	(5,81,983)
Net (gain) / loss on Foreign Exchanges	-	(15,295)
Loss on Sale of Fixed Assets	-	623
Profit on Sale of Fixed Assets	-	(52)
Interest & finance costs	146,30,927	195,24,329
Operating cash flow before working capital changes	222,99,599	314,69,927
Adjusted for:		
(Increase)/ decrease in Inventories	35,91,386	(84,42,174)
(Increase)/ decrease in trade receivables	(418,33,266)	(19,40,871)
(Increase)/ decrease in loans and advances	(411,77,759)	835,84,205
Increase/ (decrease) in trade payables	1035,15,946	(304,05,579)
Increase/ (decrease) in current liabilities	(423,82,514)	354,24,573
Increase/ (decrease) in liabilities & provisions	(45,046)	1,42,206
Cash generated from / (used in) operations	39,68,346	1098,32,287
Income taxes paid	(12,09,030)	(16,65,300)
Net cash generated from/ (used in) operating activities [A]	27,59,316	1081,66,987
Cash flow from investing activities:		
Purchase of fixed assets	(21,83,667)	(41,73,855)
Sale of Fixed Assets	-	1,13,000
Interest income on loans & advances given	7,71,172	5,81,983
Purchase of investments	-	(511,20,000)
Net cash flow from/(used) in investing activities [B]	(14,12,495)	(545,98,872)
Cash flow from financing activities:		
Increase in / Repayment of Long-Term Borrowings	(7,17,363)	(163,23,778)
Increase in / Repayment of Short-Term Borrowings	(407,87,176)	(158,50,080)
Interest & finance costs	(146,30,927)	(195,24,329)
Net (gain) / loss on Foreign Exchanges	-	15,295
Proceeds from the Issue of Shares	586,28,560	-
Net cash flow from/(used in) financing activities [C]	24,93,094	(516,82,892)
Net increase/(decrease) in cash & cash equivalents [A+B+C]	38,39,915	18,85,223
Cash & cash equivalents as at beginning of the period	32,08,149	13,22,926
Cash & cash equivalents as at end of the period (Refer Note : 16)	70,48,064	32,08,149
Summary of significant accounting policies	1 to 38	

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
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For SagarDeep Alloys Limited

Asamal Siremal Mehta
Chairman
DIN – 01900671

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Whole-time Director
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Bhavik R. 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-17 Amount In Rs.	As At 31-Mar-16 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 (P.Y. 8,371,600 Equity Shares)	113,716,000	837,16,000
TOTAL	1137,16,000	837,16,000

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

	As At 31-Mar-17		As At 31-Mar-16	
	No. of shares	Amount In Rs.	No. of share	Amount In Rs.
Equity Shares at the beginning of the year	8,371,600	83,716,000	8,371,600	83,716,000
Add: Shares issued under 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	113,71,600	1137,16,000	8,371,600	83,716,000

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.

During the Financial Year Company went for Initial Public Offering of 3,000,000 Equity Shares at **Rs. 20** each (including **Rs.10** towards security premium) and got listed on 17th May, 2016 on SME Platform of National Stock Exchange, out of the same the company has raised **Rs. 6.00/-** Crores.

2.2 The Details of Shareholder holding more than 5% Shares

Name Of Shareholder	As At 31-Mar-17		As At 31-Mar-16	
	No. Of Shares	% Held	No. Of Shares	% Held
Asamalji S. Mehta	1,466,950	12.56	1,466,950	17.52
Asamalji S. Mehta – HUF	549,000	4.83	549,000	6.56
Ashok Devji Parmar	6,60,000	5.80	-	-
Jayesh A. Mehta	1,751,500	15.40	1,751,500	20.92
Sagardeep Engineers Pvt Ltd	633,500	5.57	633,500	7.57
Satish A. Mehta	1,578,550	13.88	1,578,550	18.86
Ugamdevi A. Mehta	1,040,600	9.15	1,040,600	12.43
	76,80,100	67.54	70,20,100	83.86

**03 Reserves and Surplus:
Particulars**

	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Profit and Loss Account		
Opening Balance	435,25,951	39,550,087
Add: Profit for the year	27,16,063	3,975,865
Closing Balance	462,42,014	43,525,951
Securities Premium		

Opening Balance	499,64,000	50,464,000
Add: Addition during the year	300,00,000	-
Less: Deletion during the year (Sub Note : 1)	(1371440)	(500,000)
Closing Balance	785,92,560	49,964,000
TOTAL	1248,34,574	93,489,951

Sub Note : 1

During the F.Y. 2016-17, the company has issued 3,000,000 Equity Shares at Rs.20.00/- (including Rs.10.00/- towards securities premium) through Initial public offer and raised Rs.6.00/- Crores.

Sub Note : 2

The company has adjusted the expenses relating to Initial public offer against Security Premium during the year.

04 Long-Term Borrowings:

Particulars	As At 31-Mar-17 Amount In Rs.		As At 31-Mar-16 Amount In Rs.	
	Non - Current	Current Maturities	Non - Current	Current Maturities
	Loans and advances from related parties and others			
Unsecured Loans	-	-	-	-
	-	-	-	-
Other Loans and advances				
Loans taken for vehicles - Secured (Sub Note : 1)	10,53,410	7,17,363	17,70,773	6,46,054
	10,53,410	7,17,363	17,70,773	6,46,054
The above amounts includes				
Secured Borrowings	10,53,410	7,17,363	17,70,773	6,46,054
Unsecured Borrowings	-	-	-	-
Amount Disclosed under the head "Other Current Liabilities" (Note No: 9)	-	(7,17,363)	-	(6,46,054)
TOTAL ` :	10,53,410	-	17,70,773	-

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-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Deferred tax liability		
Related to Fixed Assets	53,56,635	49,51,248
Deferred tax liabilities/assets		
Related to Preliminary Expenses	80,340	(3,21,360)
Gross Deferred Tax Liability	54,36,975	46,29,888
Net Deferred Tax Liability	54,36,975	46,29,889

06 Long-Term Provisions:

Particulars	As At 31-Mar-17 Amount In Rs.		As At 31-Mar-16 Amount In Rs.	
	Long-Term	Short-Term	Long-Term	Short-Term
Other Provisions				
Expenses Payable	-	56,021	-	2,17,550
TDS Payable	-	71,802	-	1,98,333
TOTAL ` :	-	1,27,823	-	4,15,883

07 Short-Term Borrowings:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Loans Repayable on Demands - From Banks		
Working Capital Loans - Secured (Sub Note -1)	915,98,267	1323,85,443
	915,98,267	1323,85,443
The above amount includes		
Secured Borrowings	915,98,267	1323,85,443
TOTAL ` :	915,98,267	1323,85,443

Sub Note : 1

i) AXIS Bank C.C. outstanding as on March 31, 2017 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-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Sundry Creditors for Goods	1493,70,365	468,20,275
Sundry Creditors for Capital Goods	-	-
Sundry Creditors for Expenses	43,26,325	33,60,469
TOTAL ` :	1536,96,690	501,80,744

Sub Note:

Trade Payable as on March 31, 2017 is taken as certified by management.

09 Other Current Liabilities:

Particulars	As At	
	31-Mar-17	31-Mar-16
	Amount In Rs.	
Current Maturities of Long Term Loans (Note : 4) (Sub Note : 1)	7,17,363	6,46,054
	7,17,363	6,46,054
Other Payables		
Other Taxes Payable	-	-
Advance received from customers (Sub Note : 2)	6,43,931	430,97,754
	6,43,931	430,97,754
TOTAL ` :	13,61,294	437,43,808

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, 2017 is taken as certified by the management. No security have been given on the same.

10 Short-Term Provisions:

Particulars	As At		As At	
	31-Mar-17		31-Mar-16	
	Amount In Rs.		Amount In Rs.	
	Long-Term	Short-Term	Long-Term	Short-Term
Other Provisions (Sub Note)				
Expenses Payable	-	56,021	-	2,17,550
TDS Payable	-	71,802	-	1,98,333
TOTAL ` :	-	1,27,823	-	4,15,883

Sub Note:

Short-Term provisions as on March 31, 2017 includes amount provided based on the management estimation.

11 Fixed Assets as at 31st March 2017

	Description Of Assets	Useful life (In Years)	Shift Operated	Gross Block				Accumulated Depreciation / Amortization				Net Block	Net Block
				Balance as at 01.04.2016	Additions during the period	Deletions During period	Balance as at 31.03.2017	Balance as at 01.04.2016	Provided during the period	Deletions during period	Balance as at 31.03.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
A	Tangible Assets												
(a)	Own Assets												
	Buildings												
	Factory at Santej	30.00	Single	62,12,006	-	-	62,12,006	12,43,948	1,97,625	-	14,41,573	47,70,433	49,68,058
	Bandhu Samaj	30.00	Single	76,76,750	-	-	76,76,750	9,70,403	2,59,280	-	12,29,683	64,47,067	67,06,347
	Shed at Rakhial	30.00	Single	11,77,190	-	-	11,77,190	1,96,564	41,805	-	2,38,369	9,38,821	9,80,626
	Shed at Jagannath Estate	30.00	Single	1,73,610	-	-	1,73,610	16,032	5,655	-	21,687	1,51,923	1,57,578
				152,39,556	-	-	152,39,556	24,26,947	5,04,365	-	29,31,312	123,08,244	128,12,609
	Plant & Machinery												
	Plant & Machinery	15.00	Single	148,02,036	2,80,000	-	150,82,036	43,43,360	10,29,408	-	53,72,768	97,09,268	104,58,676
	Analytical Machine	15.00	Single	10,12,099	-	-	10,12,099	3,58,237	70,983	-	4,29,220	5,82,879	6,53,862
	Plant & Machinery - Lunej	15.00	Single	281,81,921	-	-	281,81,921	31,55,333	18,16,730	-	49,72,063	232,09,858	250,26,588
				439,96,056	2,80,000	-	442,76,056	78,56,930	29,17,121	-	107,74,051	335,02,005	361,39,126
	Furniture & Fittings												
	Furniture & Fixtures	10.00	Single	15,604	-	-	15,604	8,414	1,957	-	10,371	5,233	7,190
				15,604	-	-	15,604	8,414	1,957	-	10,371	5,233	7,190
	Office Equipment												
	Air Conditioner	5.00	Single	81,600	-	-	81,600	56,603	6,792	-	63,395	18,205	24,997
	Water Dispenser	5.00	Single	14,700	-	-	14,700	13,965	-	-	13,965	735	735
	Mobile Phones	5.00	Single	91,848	-	-	91,848	60,581	8,544	-	69,125	22,723	31,267
				1,88,148	-	-	1,88,148	1,31,149	15,336	-	1,46,485	41,663	56,999
	Motor Vehicles												
	Motor Car	8.00	Single	46,21,926	-	-	46,21,926	12,22,966	4,99,670	-	17,22,636	28,99,290	33,98,960
	Other Vehicles	10.00	Single	1,28,698	-	-	1,28,698	67,805	12,230	-	80,035	48,663	60,893
				47,50,624	-	-	47,50,624	12,90,771	5,11,900	-	18,02,671	29,47,953	34,59,853
	Computers and Data Processing Units												
	Computers and Printer	3.00	Single	4,70,191	-	-	4,70,191	4,47,465	-	-	4,47,465	22,726	22,726
				4,70,191	-	-	4,70,191	4,47,465	-	-	4,47,465	22,726	22,726
	Land												
		-	-	55,55,555	-	-	55,55,555	-	-	-	-	55,55,555	55,55,555

	Total (A)	-	-	702,15,734	2,80,000	-	704,95,734	121,61,676	39,50,679	-	161,12,355	543,83,379	580,54,058
B	Capital Work In Progress												
	Buildings												
	Bandhu Samaj (WIP)	-	-	62,58,427	19,03,667	-	81,62,094	-	-	-	-	81,62,094	62,58,427
	Factory Shed (WIP)	-	-	28,52,306	-	-	28,52,306	-	-	-	-	28,52,306	28,52,306
	Total (B)	-	-	91,10,733	19,03,667	-	110,14,400	-	-	-	-	110,14,400	91,10,733
	Grand Total (A+B)	-	-	793,26,467	21,83,667	-	815,10,134	121,61,676	39,50,679	-	161,12,355	653,97,779	671,64,791

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	As At
	31-Mar-17	31-Mar-16
	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)	516,20,000	516,20,000
TOTAL ` :	516,20,000	516,20,000

Sub Note : 1

The Company has invested Rs.51,120,000/- in its wholly owned subsidiary i.e. Sagardeep Engineers Private Limited.

13 Loans and Advances:

Particulars	As At		As At	
	31-Mar-17		31-Mar-16	
	Amount In Rs.		Amount In Rs.	
	Long-Term	Short-Term	Long-Term	Short-Term
Security Deposit				
Unsecured Considered good (Sub Note : 1)	18,34,570	-	24,66,099	-
	18,34,570	-	24,66,099	-
Loans and advances to related parties				
Secured considered good	-	-	-	-
	-	-	-	-
Other Loans and Advances				
Advances given to suppliers (Sub Note : 2)	-	467,62,001	-	45,50,129
Cenvat Receivable (Secured)	-	79,06,435	-	52,39,859
Other Advance (Sub Note : 3)	-	49,33,000	-	25,83,000
Other Receivables (Sub Note : 4)	-	1,80,382	-	71,71,126
Advance Tax (net of provisions)	-	4,38,936	-	(8,85,872)
Prepaid Insurance	-	1,20,924	-	34,327
TCS Receivable (Secured)	-	-	-	7,703
VAT Receivables (Secured)	-	5,52,475	-	3,84,593
	-	608,94,153	-	190,84,865
TOTAL ` :	18,34,570	608,94,153	24,66,099	190,84,865

Sub Note : 1

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

Sub Note : 2

Advanced given to suppliers as on March 31, 2017 is taken as certified by the management. No security has been taken on the same.

Sub Note : 3

Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good and part amount deposited to Chief metropolitan magistrate following the order of Gujarat high court.

Sub Note : 4

Other Receivables includes advances given or amount to be realized towards Interest receivable etc.

14 Inventories:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Valued at Cost or NRV whichever is Less		
Raw Material	235,14,767	232,41,719
Finished Goods	32,93,870	99,75,957
Traded Goods	2,00,000	50,417
Work In Progress	46,32,500	19,64,430
TOTAL ` :	316,41,137	352,32,523

Sub Note:

Inventories as on March 31, 2017 has been taken as certified by management. The same have been physically verified as on March 31, 2017.

15 Trade Receivables:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Unsecured and considered good		
Exceeding six months	50,94,141	32,57,705
Others	2682,95,189	2282,98,359
TOTAL ` :	2733,89,330	2315,56,064

Sub Note:

Amounts receivable from Debtors as on March 31, 2017 taken as certified by management and considered good.

16 Cash and Cash Equivalent:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Balance with Banks	65,39,092	21,35,531
Cash In Hand	5,08,972	10,72,618
TOTAL ` :	70,48,064	32,08,149

17 Short Term Loans and Advances:

Particulars	As At 31-Mar-17	As At 31-Mar-16
-------------	--------------------	--------------------

	Amount In Rs.	Amount In Rs.
Short Term Loans and Advances - (Note : 13)	608,94,153	190,84,865
TOTAL ` :	608,94,153	190,84,865

Sub Note :

(i) Advanced given to suppliers as on March 31, 2017 is taken as certified by the management. No security has been taken on the same.

(ii) Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good and part amount deposited to Chief metropolitan magistrate following the order of Gujarat high court.

(iii) Other Receivables includes advances given or amount to be realized towards interest Receivables etc.

18 Revenue from Operations:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Sale of Products		
Revenue from sale of products	7454,58,032	13208,16,415
Sale of Services		
Revenue from Job Work	5,33,820	4,93,982
Other operating Revenues		
Packing and Forwarding	8,08,235	4,30,429
Quality Claim	11,78,584	12,87,452
Gross Revenue from Operations	7479,78,671	13230,28,278
Net Revenue from Operations	7479,78,671	13230,28,278

19 Excise Duty:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Excise duty on sales	226,98,978	500,91,341
TOTAL ` :	226,98,978	500,91,341

20 Other Income:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Interest Income	7,71,172	5,81,983

Other Non-Operating Income			
	Sundry Balances Written Off	6556874	(11,40,106)
	Rate Difference	16136	-
	Gain / Loss on Foreign Exchange	-	15,295
	Profit on Sale / Purchase of License	2,49,246	6,58,378
	TOTAL ` :	75,93,428	1,15,550
21	Cost of Material Consumed:		
	Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
	Inventory at the beginning		
	Raw Material	232,41,719	182,09,979
	Add: Purchases		
	Raw Material	1483,27,058	3962,56,554
	Less: Inventory at the end		
	Raw Material	235,14,767	232,41,719
	TOTAL ` :	1480,54,010	3912,24,814
22	Purchase of Stock-In-Trade / Labour:		
	Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
	Purchase of Stock-In-Trade	5195,13,933	7724,65,550
	Labour Purchase	14,54,604	94,41,294
	TOTAL ` :	5209,68,537	7819,06,844
23	Changes In Inventories:		
	Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
	Inventory at the end of the year		
	Finished Goods	32,93,870	99,75,957
	Work-In-Progress	46,32,500	19,64,430
	Traded Goods	2,00,000	50,417
		81,26,370	119,90,804
	Inventory at the beginning of the year		
	Finished Goods	99,75,957	41,96,682
	Work-In-Progress	19,64,430	42,78,756
	Traded Goods	50,417	1,04,932
		119,90,804	85,80,370
	(Increase)/Decrease in Inventories		
	Finished Goods	66,82,087	(57,79,275)

Work-In-Progress		(26,68,070)	23,14,326
Traded Goods		(1,49,583)	54,515
TOTAL ` :		38,64,434	(34,10,434)
24 Employee Benefit Expenses:			
	Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
	Salaries and Wages		
	Bonus Expenses	1,15,120	95,530
	Director's Remuneration	36,00,000	36,00,000
	Salary and Wages	21,74,938	19,33,261
		58,90,058	56,28,791
	Contribution to Provident Fund and other Funds		
	Contribution to Provident Fund and other Funds	84,508	3,42,319
		84,508	3,42,319
	Staff Welfare Expenses		
		54,469	1,28,745
	TOTAL ` :	60,29,035	60,99,855
25 Finance Costs:			
	Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
	Interest Expenses		
	Interest on Short-Term Loans from Banks	126,15,020	175,49,900
	Interest on Short-Term Loans from Others	5,02,410	-
	Interest on Long-Term Loans from Banks	2,23,585	2,87,803
		133,41,015	178,37,703
	Other Borrowing Costs		
	Other Borrowing Costs	12,89,912	16,86,626
		12,89,912	16,86,626
	TOTAL ` :	146,30,927	195,24,329
26 Other Expenses:			
	Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
	Business & Sales Promotion Expenses	92,171	5,75,345
	Conveyance Expenses	2,84,699	2,68,006
	Clearing and Forwarding Expenses	13,90,826	62,65,681
	Custom Duty Expenses	107,83,972	312,72,975
	Documentation Charges	2,66,170	-
	Factory Expenses	3,68,885	2,67,615
	Freight Expenses	29,60,468	39,40,836

Income Tax Expenses	2,09,030	2,93,029
Indirect Duty Expenses	2,66,987	4,33,111
Insurance Expenses	75,479	1,26,614
Labour Expenses	16,56,159	23,42,413
Loading & Unloading Expenses	2,70,400	8,26,743
Municipal Tax Expenses	19,400	-
Membership Expenses	-	85,095
Office Expenses	79,753	58,700
Postage & Courier Expenses	4,650	12,963
Power & Fuel Expenses	81,86,947	128,77,444
Printing & Stationary Expenses	37,027	45,692
Professional Fees Expenses	9,32,258	20,34,468
Professional Tax Expenses	29,950	33,980
Profit/Loss on Sale of Fixed Assets	-	571
Rent Expenses	60,000	65,304
Repairing & Maintenance Expenses	4,05,348	3,93,577
ROC Expenses	14,000	97,430
Security Expenses	2,40,533	1,44,234
Store Purchase Expenses	18,38,466	23,55,781
Telephone Expenses	2,21,193	2,58,898
Travelling Expenses	1,91,563	88,269
TOTAL ` :	308,86,334	651,64,774

27 Earning Per Share:

Particulars	As At 31-Mar-17 Amount In Rs.		As At 31-Mar-16 Amount In Rs.	
	Before Extra Ordinary Items	After Extra Ordinary Items	Before Extra Ordinary Items	After Extra Ordinary Items
Basic				
Profit after Tax (A)	27,16,063	27,16,063	39,75,865	39,75,865
Weighted average no. of shares outstanding (B)	109,93,518	109,93,518	83,71,600	83,71,600
Shares issued under IPO				
Basic EPS (A)/(B)	0.25	0.25	0.47	0.47
Diluted EPS (A)/(B)	0.25	0.25	0.47	0.47
Face Value per Share	10.00	10.00	10.00	10.00

28 Trade Receivables, Trade Payables, Loans & Advances and Unsecured Loans 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 no. 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 Rs.)
Satish Asamal Mehta	Director Remuneration	9,00,000
Asamal Siremal Mehta	Director Remuneration	9,00,000
Jayesh Asamal Mehta	Director Remuneration	9,00,000
Harish Asamal Mehta	Director Remuneration	9,00,000

^{##} 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 have not any business segment or geographical segment other than the one i.e. Dealing in Metal. Therefore, the Accounting Standard 17 "Segment Reporting" is not applicable.

36 Payment to Auditor as:

Sr. No.	Auditor	2016-17	2015-16
---------	---------	---------	---------

i)	Statutory Audit	1,50,000	1,50,000
ii)	Tax Audit	40,000	40,000

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

38 Contingent

Liability

:

The company had borrowed loans from its supplier M/S Sheth Sanwalia Metals Private Limited during financial years 2014-15 & 2015-16, the outstanding amount as on 31st march, 2016 was Rs.3,95,50,000/-. The company supplied goods worth Rs.4,43,59,197/- during the current financial year, lenders has alleged the receipt of goods and has issued winding up notice u/s 433 and 434 of the companies Act ,1956 against company with claimed of Rs.4,69,19,040/- (including principal amounting to Rs.3,95,50,000/- and interest on the same at the rate of 18% per annum, amounting to Rs.73,69,040/-) and also filed criminal complaint against two directors. The company has not accepted the contentions of the lender and filed legal reply against winding up notice. The liability of the company towards principal amount and interest as alleged in the winding up notice would depend upon outcome of the above notice issued by the Lender. In spite of the above, the financial statements are prepared on going concern basis.

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

For SagarDeep Alloys Limited

Piyush J. Shah
Partner
M.No. : 108670

Asamal Siremal Mehta
Chairman
DIN – 01900671

Bhavik R. Somani
Chief Financial Officer

Place : Ahmedabad
Date : 25th May 2017

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

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, 2017**, 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, 2017 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 standalone 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:

- 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) 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;
- d) 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;

- e) On the basis of the written representations received from the directors as on 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls refer to our separate report in "Annexure B"; and
- g) 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: 25th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	AMOUNT IN Rs. 31-Mar-17	AMOUNT IN Rs. 31-Mar-16
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	02	1073,81,000	773,81,000
(b) Reserves and surplus	03	1248,55,813	928,05,476
		2322,36,813	1701,86,476
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	04	213,46,350	17,70,773
(b) Deferred tax liability (net)	05	58,32,971	47,40,708
(c) Long term provisions	06	-	-
(d) Other Non current liabilities		-	-
		271,79,321	65,11,481
4 Current liabilities			
(a) Short term borrowings	07	915,98,267	1323,85,443
(b) Trade payables	08	2245,30,100	1754,71,594
(c) Other current liabilities	09	13,61,294	498,43,808
(d) Short term provisions	10	2,55,206	4,27,333
		3177,44,867	3581,28,178
		5771,61,001	5348,26,135
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		644,86,159	682,14,074
(ii) Intangible assets			
(iii) Capital work-in-progress		414,16,571	393,47,907
(iv) Intangible assets under development			
(b) Non-current Investments		-	-
(c) Long term loans and advances	12	46,24,228	52,55,757
(d) Other Non current assets		-	-
		1105,26,958	1128,17,738
2 Current assets			
(a) Inventories	13	316,04,016	361,61,589
(b) Trade receivables	14	3668,07,340	3552,45,993
(c) Cash and cash equivalents	15	72,67,973	41,35,814
(d) Short-term loans and advances	16	609,54,714	264,65,001
		4666,34,043	4220,08,397
		5771,61,001	5348,26,135

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

Piyush J. Shah
Partner
M.No. : 108670

Place : Ahmedabad
Date : 25th May 2017

For SagarDeep Alloys Limited

Asamal Siremal Mehta
Chairman & Whole-time Director
DIN – 01900671

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Bhavik R. Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31/03/2017

Particulars	Note	AMOUNT IN Rs. 31-Mar-2017	AMOUNT IN Rs. 31-Mar-2016
I. Revenue From Operations			
Sales	17	8412,66,899	14715,98,400
Less: Excise Duty	18	226,98,978	500,91,341
		8185,67,921	14215,07,059
II. Other Income	19	86,40,138	12,91,656
III. Total Revenue (I + II)		8272,08,059	14227,98,715
IV. Expenses:			
Cost of materials consumed	20	1480,54,010	3912,24,814
Purchase of Stock In Trade	21	6115,06,033	9298,75,074
Changes in Inventories	22	48,30,621	(37,23,100)
Employee benefits expenses	23	60,29,035	60,99,855
Finance costs	24	157,97,297	195,30,600
Depreciation and amortization expense			
(i) Depreciation for the year		41,14,035	42,83,897
(ii) Preliminary Expenses W/off		-	-
Other expenses	25	312,46,679	665,11,784
Total expenses		8215,77,710	14138,02,924
V. Profit before exceptional and extraordinary items		56,30,350	89,95,792
VI. Exceptional items			
Prior Period Income		-	-
VII. Profit before extraordinary items and tax (V - VI)		56,30,350	89,95,792
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII- VIII)		56,30,350	89,95,792
X. Tax expense:			
(1) Current tax		10,75,840	25,42,700
(2) Deferred tax		10,92,263	19,25,738
(3) Short / (Excess) Provision		40,469	1,65,300
XI Profit (Loss) for the period		34,21,777	43,62,053
XII Earnings per equity share:	26		
(1) Basic			
(i) Before Extraordinary Items		0.33	0.56
(ii) After Extraordinary Items		0.33	0.56
(2) Diluted			
(i) Before Extraordinary Items		0.33	0.56
(ii) After Extraordinary Items		0.33	0.56

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

Piyush J. Shah
Partner
M.No. : 108670

Place : Ahmedabad
Date : 25th May 2017

For SagarDeep Alloys Limited

Asamal Siremal Mehta
Chairman & Whole-time Director
DIN – 01900671

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Bhavik R. Somani
Chief Financial Officer

Barkha Deshmukh
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR 01-04-2016 TO 31-03-2017

PARTICULARS	AMOUNT IN	AMOUNT IN
	Rs. 31-Mar-2017	Rs. 31-Mar-2016
Cash flow from operating activities:		
Net profit before tax as per statement of profit and loss	56,30,350	89,95,792
Adjusted for:		
Depreciation & amortization	41,14,035	42,83,897
Depreciation written back	(1,06,120)	
Interest income on loans & advances given	(7,71,172)	(5,81,983)
Net (gain) / loss on Foreign Exchanges	-	(15,295)
Loss on Sale of Fixed Assets	-	623
Profit on Sale of Fixed Assets	-	(52)
Interest & finance costs	157,97,297	195,30,600
Operating cash flow before working capital changes	246,64,389	322,13,581
Adjusted for:		
(Increase)/ decrease in Inventories	45,57,573	(87,54,840)
(Increase)/ decrease in trade receivables	(115,61,347)	(1256,30,800)
Increase/ (decrease) in trade payables	490,58,506	947,16,652
Increase/ (decrease) in current liabilities	(484,82,514)	415,24,573
Increase/ (decrease) in liabilities & provisions	(55,786)	1,53,656
Cash generated from / (used in) operations	181,80,821	342,22,822
Income taxes paid	(12,32,650)	(17,65,300)
Net cash generated from/ (used in) operating activities [A]	169,48,171	324,57,522
Cash flow from investing activities:		
Purchase of fixed assets	(23,54,783)	(41,73,855)
Sale of Fixed Assets	6,119	1,13,000
(Increase)/ decrease in loans and advances	(338,58,184)	254,63,025
Interest income on loans & advances given	7,71,172	5,81,983
Other Cash Outflows	-	-
Net cash flow from/(used) in investing activities [B]	(354,35,676)	219,84,153
Cash flow from financing activities:		
Increase in / Repayment of Long-Term Borrowings	195,75,577	(163,23,778)
Proceed from issue of shares	586,28,560	
Increase in / Repayment of Short-Term Borrowings	(407,87,176)	(158,50,080)
Interest & finance costs	(157,97,297)	(195,30,600)
Net (gain) / loss on Foreign Exchanges	-	15,295
Net cash flow from/(used in) financing activities [C]	216,19,664	(516,89,163)
Net increase/(decrease) in cash & cash equivalents [A+B+C]	31,32,159	27,52,512
Cash & cash equivalents as at beginning of the period	41,35,814	13,83,302
Cash & cash equivalents as at end of the period (Refer Note : 15)	72,67,973	41,35,814

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.

For SagarDeep Alloys Limited

FRN : 121172W

Chartered Accountants

Asamal Siremal Mehta
Chairman & Whole-time Director
DIN – 01900671

Bhavik R. Somani
Chief Financial Officer

Piyush J. Shah
Partner
M.No. : 108670

Jayesh Ashmal Mehta
Whole-time Director
DIN – 02156140

Barkha Deshmukh
Company Secretary

Place : Ahmedabad
Date : 25th May 2017

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-17	31-Mar-16
	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 (P.Y. 7,738,100 + C.Y. 3,000,000)	1073,81,000	773,81,000
TOTAL ` :	1073,81,000	773,81,000

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

Particulars	As At		As At	
	31-Mar-17		31-Mar-16	
	No. of shares	Amount In Rs.	No. of shares	Amount In Rs.
Equity Shares at the beginning of the year	77,38,100	773,81,000	77,38,100	7738,10,000
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	77,38,100	7738,10,000

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.

During the Financial Year Company went for Initial Public Offering of 3,000,000 Equity Shares at Rs.20 each (including Rs.10 towards security premium) and got listed on 17th May, 2016 on SME Platform of National Stock Exchange, out of the same the company has raised Rs.6.00/- Crores.

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

Name Of Shareholder	As At 31-Mar-17		As At 31-Mar-16	
	No. Of Shares	% Held	No. Of Shares	% Held
Asamalji S. Mehta	14,66,950	13.66	14,66,950	18.96
Asamalji S. Mehta - HUF	5,49,000	5.11	5,49,000	7.09
Ashok devji parmar	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
	70,46,600	65.62	63,86,600	82.53

03 Reserves and Surplus:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Profit and Loss Account		
Opening Balance	406,51,810	362,89,757
Add: Profit for the year	34,21,777	43,62,053
Less: Accelerated Depreciation as per the Companies Act, 2013	-	-
Closing Balance	440,73,587	406,51,810
Securities Premium		
Opening Balance	491,74,656	504,64,000
Add: Addition during the year (Sub Note :1)	300,00,000	-
Less: Deletion during the year (Sub Note :2)	(13,71,440)	(12,89,344)
Closing Balance	778,03,216	491,74,656
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 ` :	1248,55,813	928,05,476

Sub Note : 1

During the F.Y. 2016-17, the company has issued 3,000,000 Equity Shares at Rs.20.00/- (including Rs.10.00/- towards securities premium) through Initial public offer and raised Rs.6.00/- Crores.

Sub Note : 2

The company has adjusted the expenses relating to Initial public offer against Security Premium during the year.

04 Long-Term Borrowings:

Particulars	As At 31-Mar-17		As At 31-Mar-16	
	Amount In Rs.			
	Non - Current	Current Maturities	Non - Current	Current Maturities
Loans and advances from related parties and others				
Unsecured Loans	202,92,940	-	-	-
	202,92,940	-	-	-
Other Loans and advances				
Loans taken for vehicles - Secured (Sub Note : 2)	10,53,410	7,17,363	17,70,773	6,46,054
	10,53,410	7,17,363	17,70,773	6,46,054
The above amounts includes				
Secured Borrowings	10,53,410	7,17,363	17,70,773	6,46,054
Unsecured Borrowings	202,92,940	-	-	-
Amount Disclosed under the head				
"Other Current Liabilities" (Note No: 9)	-	(7,17,363)	-	(6,46,054)
TOTAL ` :	213,46,350	-	17,70,773	-

Sub Note : 1

(i) The company have availed Long Term Vehicle Loan from HDFC Bank Limited amounting to **Rs. 2,100,000/-** repayable in 60 installments of **Rs.44,750/-** starting from August 05, 2014.

(ii) The company have availed Long Term Vehicle Loan 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-17	As At 31-Mar-16
	Amount In Rs.	Amount In Rs.
Deferred tax liability		
Related to Fixed Assets	57,52,631	50,62,067
Deferred tax assets		
Related to Preliminary Expenses (Reversal of DTA)	80,340	(3,21,360)
Gross Deferred Tax Liability	58,32,971	47,40,707
Net Deferred Tax Liability	58,32,971	47,40,708

06 Long-Term Provisions:

Particulars	As At 31-Mar-17		As At 31-Mar-16	
	Amount In Rs.			
	Long- Term	Short-Term	Long-Term	Short-Term

Other Provisions				
Expenses Payable	-	67,521	-	2,29,000
TDS Payable	-	1,87,684	-	1,98,333
TOTAL ` :	-	2,55,205	-	4,27,333

07 Short-Term Borrowings:

Particulars	As At	
	31-Mar-17 Amount In Rs.	31-Mar-16 Amount In Rs.
Loans Repayable on Demands - From Banks		
Working Capital Loans - Secured (Sub Note -1)	915,98,267	1323,85,443
	915,98,267	1323,85,443
The above amount includes		
Secured Borrowings	915,98,267	1323,85,443
TOTAL ` :	915,98,267	1323,85,443

Sub Note : 1

- i) AXIS Bank C.C. outstanding as on March 31, 2017 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
- ii) Interest rate of C.C. Loan is 10.00% and Also directors have given their personal guarantee for the Loan.

08 Trade Payables:

Particulars	As At	
	31-Mar-17 Amount In Rs.	31-Mar-16 Amount In Rs.
Sundry Creditors for Goods	2201,93,042	1721,11,125
Sundry Creditors for Capital Goods	-	-
Sundry Creditors for Expenses	43,37,058	33,60,469
TOTAL ` :	2245,30,100	1754,71,594

Sub Note: Trade Payable as on March 31, 2017 is taken as certified by management.

09 Other Current Liabilities:

Particulars	As At	
	31-Mar-17 Amount In Rs.	31-Mar-16 Amount In Rs.
Current Maturities of Long Term Loans (Note : 4) (Sub Note : 1)	7,17,363	6,46,054
	7,17,363	6,46,054
Other Payables		
Other Taxes Payable	-	-
Advance received from customers (Sub Note : 2)	6,43,931	491,97,754
TOTAL ` :	13,61,294	498,43,808

Sub Note : 1

- (i) The company have availed Long Term Vehicle Loan from HDFC Bank Limited amounting to **Rs.2,100,000/-** repayable in 60 installments of **Rs.44,750/-** starting from August 05, 2014.
- (ii) The company have availed Long Term Vehicle Loan 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, 2017 is taken as certified by the management. No security have been given on the same.

10 Short-Term Provisions:

Particulars	As At 31-Mar-17		As At 31-Mar-16	
	Long-Term	Short-Term	Long-Term	Short-Term
	Amount In Rs.			
Other Provisions				
Expenses Payable	-	67,521	-	2,29,000
TDS Payable	-	1,87,684	-	1,98,333
TOTAL ` :	-	2,55,206	-	4,27,333

Sub Note Short-Term provisions includes amount provided based on the management estimation.

11 Fixed Assets as at 31st March 2017

	Description Of Assets	Useful life (In Years)	Shift Operated	Gross Block				Accumulated Depreciation / Amortization				Net Block	Net Block
				Balance as at 01.04.2016	Additions during the period	Deletions During period	Balance as at 31.03.2017	Balance as at 01.04.2016	Provided during the period	Deletions during period	Balance as at 31.03.2017	Balance as at 31.03.2017	Balance as at 31.03.2016
A	Tangible Assets												
(a)	Own Assets												
	Buildings												
	Factory at Santej	30.00	Single	62,12,006	-	-	62,12,006	12,43,948	1,97,625	-	14,41,573	47,70,433	49,68,058
	Bandhu Samaj	30.00	Single	76,76,750	-	-	76,76,750	9,70,403	2,59,280	-	12,29,683	64,47,067	67,06,347
	Shed at Rakhial	30.00	Single	11,77,190	-	-	11,77,190	1,96,564	41,805	-	2,38,369	9,38,821	9,80,626
	Shed at Jagannath Estate	30.00	Single	1,73,610	-	-	1,73,610	16,032	5,655	-	21,687	1,51,923	1,57,578
	Golden Estate D7 to D9	60.00	Single	103,17,241	-	-	103,17,241	1,57,225	1,63,356	1,06,120	2,14,461	101,02,780	101,60,016
				255,56,797	-	-	255,56,797	25,84,172	6,67,721	1,06,120	31,45,773	224,11,024	229,72,625
	Plant & Machinery												
	Plant & Machinery	15.00	Single	148,02,036	2,80,000	-	150,82,036	43,43,360	10,29,408	-	53,72,768	97,09,268	104,58,676
	Analytical Machine	15.00	Single	10,12,099	-	-	10,12,099	3,58,237	70,983	-	4,29,220	5,82,879	6,53,862
	Plant & Machinery - Lunej	15.00	Single	281,81,921	-	-	281,81,921	31,55,333	18,16,730	-	49,72,063	232,09,858	250,26,588
				439,96,056	2,80,000	-	442,76,056	78,56,930	29,17,121	-	107,74,051	335,02,005	361,39,126
	Furniture & Fittings												
	Furniture & Fixtures	10.00	Single	15,604	-	-	15,604	8,414	1,957	-	10,371	5,233	7,190
				15,604	-	-	15,604	8,414	1,957	-	10,371	5,233	7,190
	Office Equipment												
	Air Conditioner	5.00	Single	81,600	-	-	81,600	56,603	6,792	-	63,395	18,205	24,997
	Water Dispenser	5.00	Single	14,700	-	-	14,700	13,965	-	-	13,965	735	735
	Mobile Phones	5.00	Single	91,848	-	-	91,848	60,581	8,544	-	69,125	22,723	31,267
				1,88,148	-	-	1,88,148	1,31,149	15,336	-	1,46,485	41,663	56,999
	Motor Vehicles												
	Motor Car	8.00	Single	46,21,926	-	-	46,21,926	12,22,966	-	-	17,22,636	28,99,290	33,98,960
	Other Vehicles	10.00	Single	1,28,698	-	-	1,28,698	67,805	12,230	-	80,035	48,663	60,893
				47,50,624	-	-	47,50,624	12,90,771	5,11,900	-	18,02,671	29,47,953	34,59,853
	Computers and Data Processing Units												
	Computers and Printer	3.00	Single	4,70,191	-	-	4,70,191	4,47,465	-	-	4,47,465	22,726	22,726
				4,70,191	-	-	4,70,191	4,47,465	-	-	4,47,465	22,726	22,726
	Land	-	-	55,55,555	-	-	55,55,555	-	-	-	-	55,55,555	55,55,555

Total (A)	-	-	805,32,975	2,80,000	-	808,12,975	123,18,901		41,14,035	1,06,120	163,26,816	644,86,159	682,14,074
B Capital Work In Progress													
Buildings													
Bandhu Samaj (WIP)	-	-	62,58,427	19,03,667	-	81,62,094	-	-	-	-	-	81,62,094	62,58,427
Factory Shed (WIP)	-	-	28,52,306	-	-	28,52,306	-	-	-	-	-	28,52,306	28,52,306
Elite Flats	-	-	30,67,883	1,71,116	6,119	32,32,880	-	-	-	-	-	32,32,880	30,67,883
Golden Estate D11 to D20	-	-	103,17,241	-	-	103,17,241	-	-	-	-	-	103,17,241	103,17,241
Golden Estate H15 to H16	-	-	23,30,600	-	-	23,30,600	-	-	-	-	-	23,30,600	23,30,600
Golden Estate H3 to H4	-	-	23,30,600	-	-	23,30,600	-	-	-	-	-	23,30,600	23,30,600
Sindh Bank	-	-	121,90,850	-	-	121,90,850	-	-	-	-	-	121,90,850	121,90,850
Total (B)	-	-	393,47,907	20,74,783	6,119	414,16,571	-	-	-	-	-	414,16,571	393,47,907
Grand Total (A+B)	-	-	1198,80,882	23,54,783	6,119	1222,29,546	123,18,901		41,14,035	1,06,120	163,26,816	1059,02,730	1075,61,981

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-17		As At 31-Mar-16	
	Amount In Rs.			
	Long-Term	Short-Term	Long-Term	Short-Term
Security Deposit				
Unsecured Considered good (Sub Note : 1)	18,54,570	-	24,86,099	-
	18,54,570	-	24,86,099	-
Loans and advances to related parties				
Secured considered good	-	-	-	-
	-	-	-	-
Other Loans and Advances				
Advances given to suppliers (Sub Note : 2)	-	468,49,258	-	117,50,010
Cenvat Receivable (Secured)	-	79,06,435	-	52,39,859
Other Advance (Sub Note : 3)	27,69,658	49,33,000	27,69,658	25,83,000
Other Receivables (Sub Note : 4)	-	1,80,382	-	71,71,126
Advance Tax (net of provisions)	-	3,33,912	-	(8,69,023)
Prepaid Insurance	-	1,20,924	-	34,327
TCS/TDS Receivable (Secured)	-	-	-	7,703
VAT Receivables (Secured)	-	6,30,803	-	5,47,999
	27,69,658	609,54,714	27,69,658	264,65,001
TOTAL ` :	46,24,228	609,54,714	52,55,757	264,65,001

Sub Note : 1

Security deposit given includes deposit with Uttar Gujarat Vij Company Limited, Torrent Power Limited and State government.

Sub Note : 2

Advanced given to suppliers as on March 31, 2017 is taken as certified by the management. No security has been taken on the same.

Sub Note : 3

Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good and part amount deposited to Chief metropolitan magistrate following the order of Gujarat high court.

Sub Note : 4

Other Receivables includes advances given or amount to be realized towards Interest receivable etc.

13 Inventories:

Particulars	As At 31-Mar-17	As At 31-Mar-16
	Amount In Rs.	Amount In Rs.
Valued at Cost or NRV whichever is Less		
Raw Material	235,14,767	232,41,719
Finished Goods	32,93,870	99,75,957

Traded Goods	1,62,879	9,79,483
Work In Progress	46,32,500	19,64,430
TOTAL ` :	316,04,016	361,61,589

Sub Note:

Inventories as on March 31, 2017 has been taken as certified by management. The same have been physically verified as on March 31, 2017.

14 Trade Receivables:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Unsecured and considered good		
Exceeding six months	947,16,044	33,33,295
Others	2720,91,296	3519,12,698
TOTAL ` :	3668,07,340	3552,45,993

Sub Note:

Amounts receivable from Debtors as on March 31, 2017 taken as certified by management and considered good.

15 Cash and Cash Equivalent:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Balance with Banks	65,39,092	21,35,531
Balance with Banks (Subsidiary Companies)	49,515	65,797
Cash In Hand	6,79,366	19,34,486
TOTAL ` :	72,67,973	41,35,814

16 Short Term Loans and Advances:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Short Term Loans and Advances - (Note : 12)	609,54,714	264,65,001
TOTAL ` :	609,54,714	264,65,001

Sub Note :

(i) Advanced given to suppliers as on March 31, 2017 is taken as certified by the management. No security has been taken on the same.

(ii) Other Advances given includes advances towards VAT appeal made under Gujarat VAT Act, are considered good and part amount deposited to Chief metropolitan magistrate following the order of Gujarat high court.

(iii) Other Receivables includes advances given or amount to be realized towards interest Receivables etc.

17 Revenue from Operations:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Sale of Products		
Revenue from sale of products	8387,44,260	14693,84,537
Sale of Services		
Revenue from Job Work	5,33,820	4,93,982
Other operating Revenues		
Packing and Forwarding	8,10,235	4,32,429
Quality Claim	11,78,584	12,87,452
Gross Revenue from Operations	8412,66,899	14715,98,400
Less: Adjustments		
Returns on revenue from sale of products	-	-
Net Revenue from Operations	8412,66,899	14715,98,400

18 Excise Duty:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Excise duty on sales	226,98,978	500,91,341
TOTAL ` :	226,98,978	500,91,341

19 Other Income:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Interest Income	7,71,172	5,81,983
	7,71,172	5,81,983
Other Non-Operating Income		
Sundry balances written off	64,83,464	-
Depreciation written back	1,06,120	
Rate Differences	16,136	15,295
Rent Income	10,14,000	36,000
Profit on Sale / Purchase of License	2,49,246	6,58,378
TOTAL ` :	86,40,138	12,91,656

20 Cost of Material Consumed:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Inventory at the beginning		
Raw Material	232,41,719	182,09,979
Add: Purchases		
Raw Material	1483,27,058	3962,56,554
Less: Inventory at the end		
Raw Material	235,14,767	232,41,719
TOTAL ` :	1480,54,010	3912,24,814

21 Purchase of Stock-In-Trade / Labour:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Purchase of Stock-In-Trade	6100,51,429	9204,33,780
Labour Purchase	14,54,604	94,41,294
TOTAL ` :	6115,06,033	9298,75,074

22 Changes In Inventories:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Inventory at the end of the year		
Finished Goods	32,93,870	99,75,957
Work-In-Progress	46,32,500	19,64,430
Traded Goods	1,62,879	9,79,483
	80,89,249	129,19,870
Inventory at the beginning of the year		
Finished Goods	99,75,957	41,96,682
Work-In-Progress	19,64,430	42,78,756
Traded Goods	9,79,483	7,21,332
	129,19,870	91,96,770
(Increase)/Decrease in Inventories		
Finished Goods	66,82,087	(57,79,275)
Work-In-Progress	(26,68,070)	23,14,326
Traded Goods	8,16,604	(2,58,151)
TOTAL ` :	48,30,621	(37,23,100)

23 Employee Benefit Expenses:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Salaries and Wages		
Bonus Expenses	1,15,120	95,530
Director's Remuneration	36,00,000	36,00,000
Salary and Wages	21,74,938	19,33,261
	58,90,058	56,28,791
Contribution to Provident Fund and other Funds		
Contribution to Provident Fund and other Funds	84,508	3,42,319
	84,508	3,42,319
Staff Welfare Expenses		
	54,469	1,28,745
TOTAL ` :	60,29,035	60,99,855

24 Finance Costs:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Interest Expenses		
Interest on Short-Term Loans from Banks	126,15,020	175,49,900
Interest on Short-Term Loans from Others	16,61,232	-
Interest on Long-Term Loans from Banks	2,23,585	2,87,803
	144,99,837	178,37,703
Other Borrowing Costs		
Other Borrowing Costs	12,97,460	16,92,897
	12,97,460	16,92,897
TOTAL ` :	157,97,297	195,30,600

25 Other Expenses:

Particulars	As At 31-Mar-17 Amount In Rs.	As At 31-Mar-16 Amount In Rs.
Business & Sales Promotion Expenses	92,171	5,75,345
Conveyance Expenses	2,84,699	2,68,006
Clearing and Forwarding Expenses	13,90,826	62,65,681
Custom Duty Expenses	107,83,972	312,72,975
Documentation charges	2,66,170	-
Factory Expenses	3,68,885	2,67,615
Freight Expenses	32,33,233	41,20,976
Income Tax Expenses	2,09,030	2,93,983

Indirect Tax Expenses	2,66,987	4,33,111
Insurance Expenses	75,479	1,26,614
Labour Expenses	16,56,159	23,42,413
Loading & Unloading Expenses	2,70,400	8,26,743
Municipal tax expenses	68,030	-
Membership Expenses	15,741	91,195
Office Expenses	79,753	59,583
Other Expenses	-	-
Postage & Courier Expenses	4,650	12,963
Power & Fuel Expenses	81,87,127	128,93,152
Printing & Stationary Expenses	37,237	47,442
Professional Fees Expenses	9,48,958	20,47,418
Professional Tax Expenses	29,950	33,980
Profit/Loss on Sale of Fixed Assets	-	571
Rate Difference and Sundry Balances written off	-	11,01,057
Rent Expenses	60,000	65,304
Repairing & Maintenance Expenses	4,11,467	4,02,445
ROC Expenses	14,000	1,16,030
Security Expenses	2,40,533	1,44,234
Store Purchase Expenses	18,38,466	23,55,781
Telephone Expenses	2,21,193	2,58,898
Travelling Expenses	1,91,563	88,269
TOTAL ` :	312,46,679	665,11,784

26 Earning Per Share:

Particulars	As At 31-Mar-17		As At 31-Mar-16	
	Amount In Rs.			
	Before Extra Ordinary Items	After Extra Ordinary Items	Before Extra Ordinary Items	After Extra Ordinary Items
Basic				
Profit after Tax (A)	34,21,777	34,21,777	43,62,053	43,62,053
Weighted average number of shares outstanding (B)	103,60,018	103,60,018	77,38,100	77,38,100
Basic EPS (A)/(B)	0.33	0.33	0.56	0.56
Diluted EPS (A)/(B)	0.33	0.33	0.56	0.56
Face Value per Share	10.00	10.00	10.00	10.00

27 Trade Receivables , Trade Payables, Loans & Advances and Unsecured Loans 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 no. The same has no impact on statement of Profit & Loss.

30 Related Party Disclosures:

30.1 Related Parties & their Relationship

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	9,00,000
Asamal Siremal Mehta	Director Remuneration	9,00,000
Jayesh Asamal Mehta	Director Remuneration	9,00,000
Harish Asamal Mehta	Director Remuneration	9,00,000

^{##} Only those related party names are mentioned with whom transactions 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 have not any business segment or geographical segment other than the one i.e. Dealing in Metal. Therefore, the Accounting Standard 17 "Segment Reporting" is not applicable.

35 Payment to Auditor as:

Sr. No.	Auditor	2016-17	2015-16
i)	Statutory Audit	1,57,500	1,57,500
ii)	Tax Audit	42,500	42,500
iii)	Company Law matter	-	-

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

37 Contingent Liability :

Sagardeep Alloys Limited

The company had borrowed loans from its supplier M/S Sheth Sanwalia Metals Private Limited during financial years 2014-15 & 2015-16, the outstanding amount as on 31st march, 2016 was **Rs.3,95,50,000/-**. The company supplied goods worth **Rs.4,43,59,197/-** during the current financial year, lenders has alleged the receipt of goods and has issued winding up notice u/s 433 and 434 of the companies Act ,1956. against company with claimed of **Rs.4,69,19,040/-** (including principal amounting to **Rs.39,550,000/-** and interest on the same at the rate of 18% per annum, amounting to **Rs.7,369,040/-**) and also filed criminal complaint against two directors. The company has not accepted the contentions of the lender and filed legal reply against winding up notice. The liability of the company towards principal amount and interest as alleged in the winding up notice would depend upon outcome of the above notice issued by the Lender. In spite of the above, the financial statements are prepared on going concern basis.

Sagardeep Engineers Private Limited

Sagardeep Engineers Private Limited had borrowed loan from its supplier M/s Sheth Sanwalia Metals Private Limited amounted to Rs.1,147,220 during FY 2014-15 & 2015-16. Lendor has filled winding up notice under

section 433 and 434 of the companies act ,1956 against the company for not paying a interest on loan amounted to Rs.1,94,749. the liability as mentioned in the legal notice may crystallize.

For Piyush J. Shah & Co.

FRN : 121172W

Chartered Accountants

Piyush J. Shah

Partner

M.No. : 108670

Place : Ahmedabad

Date : 25th May 2017

For SagarDeep Alloys Limited

Asamal Siremal Mehta

Chairman & Whole-time Director

DIN – 01900671

Jayesh Ashmal Mehta

Whole-time Director

DIN – 02156140

Bhavik R. 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 Sagardeep Engineers Private Limited
2	Reporting Period 01 st April 2016 to 31 st March 2017
3	Reporting Currency INR
4	Country India
5	Capital 1,43,00,000/-
6	Reserves 3,75,18,360/-
7	Total Assets 13,70,98,111/-
8	Total Liabilities 9,17,54,751/-
9	Total Investments 64,75,000/-
10	Turnover/Total Income 9,44,08,348/-
11	Profit Before Tax 11,41,184/-
12	Provision for Taxation 4,35,469/-
13	Profit After Taxation 7,05,715/-
14	Proposed Dividend Nil
15.	% of shareholding 100%

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 **10th Annual General Meeting** of the Company being held on Thursday, September 21, 2017 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.

FORM MGT-11

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

PROXY FORM

CIN *L29253GJ2007PLC050007*
 Name of Company: *SAGARDEEP ALLOYS LIMITED*
 Registered office: *205, Pittalaya Bumba, Nr. Madhuram Cinema, Gheekanta, Ahmedabad – 380001*
 Name of member(s): *Email Id:*
 Registered Address: *Folio No/Client Id:*
DP Id:

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

1.	Name:	
	Address:	
	E-mail id:	
	Signature:	

2.	Name:	
	Address:	
	E-mail id:	
	Signature:	

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 10th Annual General Meeting of the Company to be held on Thursday, 21st day of September, 2017 at 11:30 A.M. 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, 2017 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, 2017 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.*
- 3 *To ratify the appointment of M/s. Piyush J Shah & Co., Statutory Auditors of the Company.*

Special Business

- 4 *To appoint Mr. Jitendrakumar Dhanjibhai Patel (Din: 07369309) as an Independent Director of the Company.*
- 5 *Ratification of remuneration of Cost Auditor of the Company*

Signed this _____ day of _____, 2017 Signature of shareholder _____

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

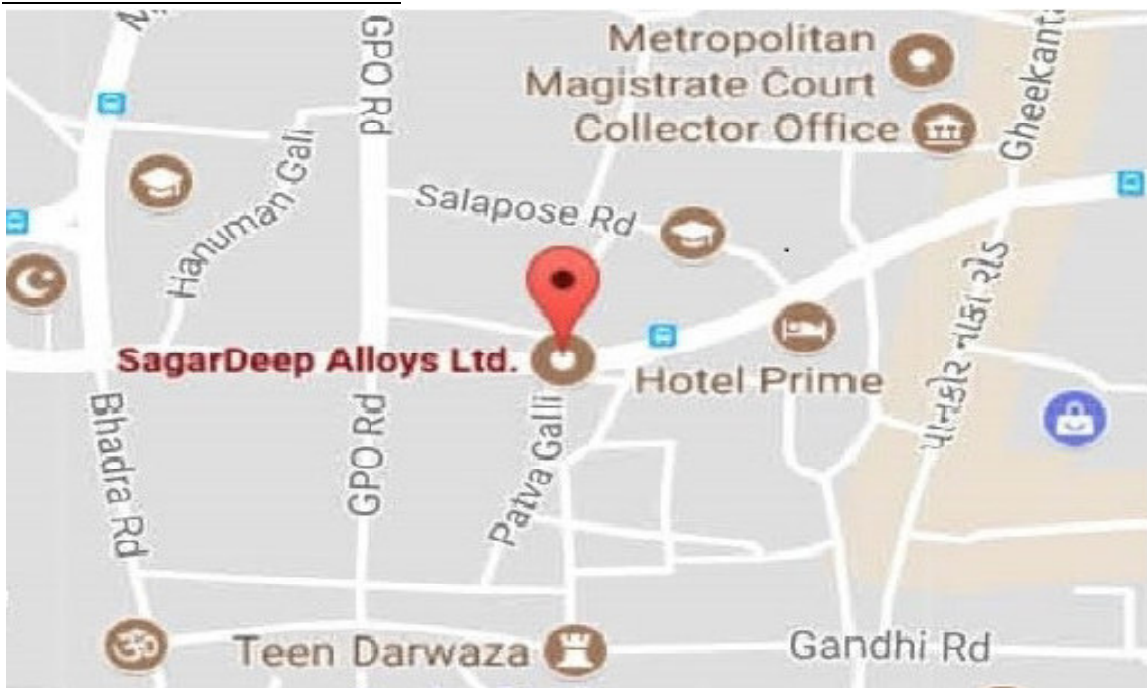
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

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
