

RIDDHI STEEL & TUBE LIMITED

ANNUAL REPORT

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The Board of Directors:

Rajesh Mittal	Managing Director
Preeti Mittal	Director
Paras Shah	Director
Saurin Shah	Director
Shankar Bhagat	Director

Management Team:

Rajesh Mittal
Managing Director

Preeti Mittal
Director

Paras Shah
Director

Saurin Shah
Director

Shankar Bhagat
Director

Auditors:

M/s. C. P. Shah & Co.
Chartered Accountants
Ahmedabad

Bankers:

Canara Bank
Prime Corporate Branch, Ahmedabad.

Registered / Corporate Office/Factory:

83/84, Village Kamod,
Pipaj – Pirana Road,
Post Aslali,
Ahmedabad – 382 427,
Gujarat, India.

CIN: U27106GJ2001PLC039978

NOTICE

Notice is hereby given that the **Fifteenth** Annual General Meeting of the members of **RIDDHI STEEL & TUBE LIMITED** will be held on **Friday 30th day of September, 2016** at 11.00 a.m. at the Registered Office of the company, situated at 83,84, Village Kamod, Piplaj - Pirana Road, Post - Aslali, Ahmedabad - 382 427, Gujarat, India to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2016, Audited Cash Flow Statement and the Audited Statement of Profit and Loss for the year ended on that date together with the Directors' and Independent Auditors' Reports thereon.
2. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

Re-Appoint Preeti Rajesh Mittal, Executive Director of the company, liable to retire by rotation in term of section 152(6) of the Companies act, 2013 and being eligible herself for re-appointment.

3. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

"Resolved That, Pursuant to Section 139, 142 and other applicable provision of The Companies Act, 2013 and the rules made thereunder, as amended from time to time, pursuant to recommendations of the board of directors, and pursuant to resolution passed by members at the AGM held on September 30, 2015, The Appointment of M/s. C.P. Shah & Co., Chartered Accountants (FRN: 109526W) as the auditors of the company to hold the office till conclusion of Sixteenth AGM be and hereby ratified and the Board of Directors be and hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2017."

Note:

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself /herself and a proxy need not be a member of the company. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.

Registered Office :

Plot No.140/1, Village Piplaj,
Saijpurgopalpur, Pirana Road,
Ahmedabad - 382 405,
Gujarat, India.

By order of the Board of Directors

Sd/-
Rajesh Mittal
Director

Sd/-
Preeti Mittal
Director

Date : 01st September, 2016

RIDDHI STEEL & TUBE LIMITED
DIRECTOR'S REPORT

To,
The Members,

Your Directors are pleased to present the **Fifteenth** Annual Report together with the Audited Annual Accounts of the Company for the year ended **31st March, 2016**.

FINANCIAL RESULTS:

	2015-2016	2014-2015
Profit/(Loss) Before Depreciation and Tax	6,91,75,690	6,84,95,683
Less : Depreciation	(2,89,85,091)	(3,08,16,468)
Add : Prior Period Item	-	-
Profit for the year before taxation	4,01,90,599	3,76,79,215
Less: Provision for Taxation:		
i. Current Year Tax	1,25,70,000	1,17,30,341
ii. Deferred Tax	11,98,795	6,30,421
iii. Prior Period Tax	(1,82,719)	Nil
Profit after taxation	2,66,04,522	2,53,18,454
Add: Brought forward balance of Profit & loss A/c.	12,55,72,919	10,04,30,786
Less: Depreciation in respect of assets whose useful life is over	-	2,53,516
Add: DTA on Depreciation charged to retained earnings	-	77,196
Balance Carried to Balance Sheet	15,21,77,441	12,55,72,919

REVIEW OF OPERATIONS:

During the year under review, the revenue from operations is Rs. 235,20,74,722 (previous year Rs. 233,89,07,076.) The Profit before depreciation and tax has increased to Rs. 6,91,75,690 from Rs. 6,84,95,683. The net profit after tax has increased to Rs. 2,66,04,522 from Rs. 2,53,18,454. At the end of the year, Company's reserves stood at Rs. 16,56,77,441 (Previous Year Rs. 13,90,72,919).

DIVIDEND:

The directors of the company do not recommend any amount of dividend to be declared for the financial year 2015-2016, as Company is in process of business development.

SHARE CAPITAL:

The Paid up equity Capital as on March 31, 2016 was Rs. 5,95,02,520. During the year under review, the Company had not issued any class of Equity Shares. Moreover the Company had not issued any shares with differential voting rights nor granted stock options nor sweat equity.

TRANSFER TO RESERVES:

Your Company has not transferred any amount to Reserves during the year under consideration.

PARTICULARS OF EMPLOYEES:

There are no employees of the Company who were in receipt of remuneration in excess of the limit as prescribed under Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

CAPITAL EXPENDITURE:

During the year under review, the Company has incurred **Rs.4,29,18,255** as Capital Expenditure for acquisition of various fixed assets.

AUDITORS AND THEIR REPORT:

At the Annual General Meeting held on 30th September, 2015 M/s. C.P. Shah & Co. (Chartered Accountants) were appointed as Statutory Auditors of the company to hold office till the Sixteenth Annual General Meeting. In terms of first proviso to section 139 of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. C.P. Shah & Co., Chartered Accountants, as statutory auditors of the company, is placed for ratification by the shareholders.

The Auditors' Report does not contain any qualification, reservation or adverse remarks. The Auditors report is enclosed with the financial statements in this annual report.

"DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013":

"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

No of complaints received: **NIL**

No of complaints disposed off: **NIL"**

INSURANCE:

The Company has taken adequate insurance cover for all movable and immovable assets for various types of risks.

NOTE ON ACCOUNTS:

The notes forming part of the accounts are Self-explanatory and therefore, do not call for any further comments.

CONVERSION FROM PRIVATE LIMITED TO PUBLIC LIMITED COMPANY:

After the end of financial year the Company was converted from Private Limited to Public Limited Company W.E.F **01st February, 2016**. Accordingly, the name of the Company was changed from Riddhi Steel and Tube Private Limited to Steel and Tube Limited to reflect the status of the Company as Public Limited Company.

COMPLIANCE UNDER COMPANIES ACT, 2013:

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-A** to the director's report.

EXTRACT OF ANNUAL RETURN:

In accordance with the Section 134(3)(a) of The companies Act, 2013 an extract of the annual return in the prescribed is appended as **Annexure-B** to the director's report.

BOARD MEETINGS HELD DURING THE YEAR:

The Board of Directors duly met 12 times during the financial year from 1st April, 2015 to 31st March, 2016.

The intervening gaps between the meetings were within the purview of the Companies Act, 2013 and the rules made there under.

DIRECTORS AND KEY MANAGERIAL PERSONNELS:

During the period under consideration following appointments were affected.

DIN/PAN	Name	Designation	Appointment Date
00878934	RAJESHKUMAR MITTAL	Managing Director	22/03/2013
01594555	PREETI RAJESH MITTAL	Executive Director	08/01/2016
01359807	SHANKAR PRASAD BHAGAT	Independent Director	19/03/2016
07438621	PARAS KUMARPAL SHAH	Independent Director	16/02/2016
07438637	SAURIN SHAILESH SHAH	Independent Director	16/02/2016

CORPORATE SOCIAL RESPONSIBILITY:

Your directors wants to draw your attention that provision in relation to corporate social responsibility as specified in section 135 of The Companies Act, 2013 and rules (Corporate Social Responsibility Policy) Rules 2014 are not applicable to the company.

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company does not have vigil mechanism or whistle blower policy implemented by it as the company is not under obligation for the same under The Companies Act, 2013.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3)(c) r.w.s 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March, 2016, 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 are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 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 have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements provided in the annual report.

RELATED PARTY TRANSACTION:

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in **Note No. 21.5** of Financial Statements, forming part of the Annual Report.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the companies Act, 2013, in the prescribed form AOC – 2, is appended as **Annexure C** to the director's report.

All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT:

There have been no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year to which this financial statements relate and the date of this report.

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Company's risk management is embedded in the business processes and thereby reduces the risk to its possible extent.

FIXED DEPOSITS:

The company has not accepted deposits from the shareholders during the year ended 31st March 2016 within the meaning of sec 73 of the companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

ORDERS BY REGULATORS, COURTS OR TRIBUNALS:

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Given the nature of business and size of operations, Your Company's internal financial Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

Your Company, through its own Internal Audit Department, carried out periodic audits at all locations and functions based on the plan approved by the board and brought out any deviation to Internal Control procedures. The observations arising out of the audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of implementation are submitted to the board. The status of implementation of the recommendations is reviewed by the board on a regular basis.

INDUSTRIAL RELATIONS:

Relations with the company's employees continue to be cordial. The company has a good track record of harmonious relations with employees and all stake holders.

ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors are also thankful for the co-operation and assistance received from the Bankers, Central and State Government Departments and Local Authorities.

Registered Office :

Plot No.140/1,Village Piplaj,
Saijpurgopalpur, Pirana Road,
Ahmedabad – 382 405,
Gujarat, India.

By order of the Board of Directors

Sd/-
Rajesh Mittal
Director

Sd/-
Preeti Mittal
Director

Date : 01st September,2016

DIRECTOR REPORT'S ANNEXURE- A
[Particulars pursuant to Companies (Accounts) Rules, 2014]

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder.

A. Conservation of Energy:

Energy conservation continuous to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.

Company has not made any capital investment on energy conservation equipments during the financial year.

B. Technology Absorption:

No new technology is absorbed by the company as company is equipped in well manner with all the required technologies and machineries that it requires in order to have smooth functioning of business operations.

C. Research and development (R & D) :

The company is carrying out research in the field of its business so as to grab the available opportunities of business expansion and thereby enhance the profitability and market share.

- **Expenditure on R & D :**

The company has not incurred any expenditure on Research and Development during the Financial Year.

D. Foreign Exchange Earning and Outgo :

Foreign Exchange earned and spent by the Company during the year amounts to Nil and Nil respectively.

DIRECTOR REPORT'S ANNEXURE- B**EXTRACT OF ANNUAL RETURN
FORM MGT 9**

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

Financial Year ended on 31.03.2016

I. REGISTRATION & OTHER DETAILS :

i	CIN	:	U27106GJ2001PLC039978
ii	Registration Date	:	07/09/2001
iii	Name of the Company	:	RIDDHI STEEL AND TUBE LIMITED
iv	Category/Sub-category of the Company	:	Company Limited by Shares
v	Address of the Registered office & contact details	:	83,84, Village – Kamod, Piplaj - Pirana Road, Post – Aslali, Ahmedabad – 382 427, Gujarat, India.
vi	Whether listed company	:	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	:	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of tubes, pipes and hollow profiles and of tube or pipe fittings of cast-iron/ cast-steel	24311	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES: N.A