



Riddhi

Steel & Tube Limited



16th

Annual Report

2016-17

Corporate Information

Board of Directors Rajesh R. Mittal Managing Director Preeti R. Mittal Chief Financial Officer & Director	Banker City Union Bank Navrangpura Branch – Ahmedabad Canara Bank PCB Branch - Ahmedabad
Independent Directors Shankar Prasad Bhagat Paras Kumarpal Shah Saurin Shailesh Shah	Registered Office 83/84, Village - Kamod, Piplaj Pirana Road, Post –Aslali Ahmedabad – 382427 Gujarat E-mail: info@riddhitubes.com Website: http://www.riddhitubes.com/
Company Secretary & Compliance Officer Nikhil M. Vadera (w.e.f. 18 th January 2017)	Secretarial Auditor Jatin Kapadia Company Secretary A-403, Malabar Country, B/h. Nirma University, Charodi, Ahmedabad.
Statutory Auditor C.P Shah & Co. Chartered Accountants 403, “Ashwamegh house”, Choice Restaurant’s Street Swastik Char Rasta Navrangpura Ahmedabad – 380009	Registrar & Transfer Agent Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda , Hyderabad – 500 032, India Tel: +91 – 40 – 67162222 Fax: +91 – 40 – 2343 1551 Website: www.karisma.karvy.Com SEBI Registration No: INR000000221
Audit Committee Mr. Paras K. Shah, Chairman Mr. Shankar Prasad Bhagat, Member Mr. Saurin S. Shah, Member	Stock Holder Relationship Committee Mr. Paras K. Shah, Chairman Mr. Shankar Prasad Bhagat, Member Mr. Saurin S. Shah, Member
Nomination And Remuneration Committee Mr. Paras K. Shah, Chairman Mr. Shankar Prasad Bhagat, Member Mr. Saurin S. Shah, Member	Corporate Identification Number L27106GJ2001PLC039978 Scrip Code At BSE : 540082 ISIN : INE367U01013

16th Annual General Meeting

Date: 9th September 2017

Time: 11:00 AM

Venue: Registered Office

83/84, Village - Kamod, Piplaj Pirana Road,

Post - Aslali,

Ahmedabad GJ 382427 In

Important Communication to Members

Pursuant to section 101 and 136 of the Companies Act, 2013 read with companies (management and administration) rules, 2014, and under regulation 36 of Securities and Exchange Board of India (listing obligation and disclosure requirements) regulation 2015, annual report of the company has been sent through email to those members whose email id is registered with the company / depository, in case any member wants a physical copy of the annual report he may write to the company secretary / RTA.

MEMBERS WHO HAVE NOT YET REGISTERED THEIR EMAIL ADDRESS ARE REQUESTED TO REGISTER THEIR EMAIL ADDRESS EITHER WITH THE DEPOSITORIES OR WITH THE COMPANY.

Notice

Notice of 16th Annual General Meeting

Notice is hereby given that the sixteen annual general meeting of the members of RIDDHI STEEL & TUBE LIMITED will be held on Saturday 09th day of September, 2017 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 Audited Financial Statement of the Company for the financial year ended March 31, 2017 and the reports of the Board of Directors and Auditors thereon.
2. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

Re-Appoint Mrs. 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 reappointment.

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 provisions, if any, of the Companies Act, 2013 (Including any statutory modification or re-enactment thereof for the time being in force) read with rules under the Companies (Audit and Auditors) Rules, 2014, as may be applicable and pursuant to the recommendations of the Audit Committee M/s. Y. J. Malkani & Co., Chartered Accountants (FRN: 143143W) Ahmedabad be appointed as statutory auditors of the company, in place of retiring auditor M/s. C. P. Shah & Co., Chartered Accountants (FRN: 109526W) Ahmedabad, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 21st Annual General Meeting (subject to ratification of their re-appointment at every AGM) and to authorize the Board of Directors of the Company to fix their remuneration, apart from re-imbursement of out-of-pocket expenses and applicable taxes.

Special Business:

4. **Ratification of remuneration of Cost Auditors:**

To Consider And, If Thought Fit, To Pass With Or Without Modification(S), The Following Resolution As An Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 (3) and all other applicable provisions of the Companies Act, 2013, the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Mayur Chhaganbhai Undhad, Cost Accountants in practice, having Firm Registration Number 103961 appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2017-18, of Rs 22000/- (Rupees Twenty Two Thousand Only) plus taxes applicable and reimbursement out of pocket expenses incurred by them, in connection with the aforesaid audit are and is hereby ratified and confirmed.”

5. To consider and approve the following resolution with or without modification, as a Special Resolution:

“RESOLVED THAT pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), consent sanction and permission as may be necessary, the consent of the members be and is hereby accorded to the Board of Directors (here in after referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the board) for making investment(s) in excess of limits specified under section 186 of Companies Act, 2013 from time to time in acquisition of securities of anybody corporate or for giving loans, guarantees or providing securities to anybody corporate or for giving loans, guarantees or providing securities to anybody corporate or other person/ entity whether in India or outside India, as may be considered appropriate for an amount not exceeding Rs. 100 crore (Rupees one hundred crore Only), notwithstanding that such investment and acquisition together with the Company’s existing investment in all other bodies corporate, loans and guarantees given and securities provided shall be in excess of the limits prescribed under section 186(3), of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company be and is hereby authorized to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental there to as they may in their absolute discretion deem fit to give effect to this resolution.”

11th August 2017
Ahmedabad

For and on behalf of the Board

Managing Director

Registered Office
83, 84, Village Kamod,
Piplaj-Pirana Road, Post –Aslali,
Ahmedabad– 382 427

Notes

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent 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 a proxy for any other person or Shareholder.

2. Proxies submitted on behalf of limited companies, societies, etc. must be supported by appropriate resolution / authority, as applicable, issued on behalf of the nominating organization.
3. The explanatory statements pursuant to Section 102 of Companies Act, 2013 relating to special business are annexed.
4. Members intending to require information about Accounts to be explained in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
5. The information required under Regulation 36 of SEBI (LODR) Regulations, 2015 on Directors' re-appointment/ appointment are given below and form part of the Notice.
6. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
7. Relevant 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 during business hours up to the date of the Meeting.
8. Register of Members and the Share Transfer Books of the Company will remain closed from 5th September, 2017 to 9th September, 2017 (both days inclusive).
9. Members can avail the nomination facility by filing Form No. SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19 (I) of the Companies (Share Capital and debentures) Rules 2014 with the Company. Blank forms will be supplied on request.
10. The Company being listed on SME Exchange and in view of provision of Rule 20 of the companies (Management and Administration) Rules 2014 is not mandatory to provide remote e-voting facility to its member.

- II. Mrs. Preeti Rajesh Mittal directors retire by rotation and being eligible; offer themselves for re-appointment at the Annual general Meeting. A brief resume of the said director is given below.

Name of Director	PREETI RAJESH MITTAL
DIN	01594555
Date of Birth	23/01/1973
Date of Appointment	08/01/2016
Qualification	Under Graduate
Expertise in Specific functional areas	Experience in the business and Industry
Directorship held in other companies	RIDDHI PROCON PRIVATE LIMITED RIDDHI SPINNERS PRIVATE LIMITED RIDDHI TRADELINK LLP
Memberships/Chairpersonships of committees of Board	No Memberships / Chairmanships of Committees of other Companies
Number of shares held in the Company	2957004

Annexure To Notice Explanatory Statement (Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 4:

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s Mayur Chhaganbhai Undhad, Cost Accountant in Practice (Firm Reg. No. 103961), to conduct the audit of the cost records of the Company for the financial year ended March 31, 2018.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the members are requested to ratify the remuneration payable to the Cost Auditors for audit of cost records of the Company for the financial year 2017-18 as set out in the resolution for the aforesaid services to be rendered by them.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution.

The Board of Directors recommends the Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5:

As per the provisions of Section 186 of the Companies Act, 2013, the Board of Directors of a Company can make any loan, investment or give guarantee or provide any security beyond the prescribed ceiling of i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, if special resolution is passed by the members of the Company.

As a measure of achieving greater financial flexibility and to enable optimal financing structure, this permission is sought pursuant to the provisions of Section 186 of the Companies Act, 2013 to give powers to the Board of Directors or any duly constituted committee thereof for making further investment, providing loans or give guarantee or provide security in connection with loans to subsidiary companies (including overseas subsidiaries) for an amount not exceeding Rs.100 Crore and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and / or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.

11th August 2017
Ahmedabad

For and behalf of the board

Registered Office
83, 84, Village Kamod,
Piplaj-Pirana Road, Post –Aslali,
Ahmedabad– 382 427

Managing Director

Director's Report

To,
The Members

Your Directors are pleased to present the 16th Annual report of the Company along with the Audited Financial Statements for the year ended 31st March 2017.

I. **FINANCIAL RESULT:**

The brief financial results are as under.

Particulars	2016-17	2015-16
Gross Income		
Profit/(Loss) before Depreciation and Tax	7,45,43,746	6,91,75,690
Less: Depreciation	(3,30,21,511)	(2,89,85,091)
Profit/(Loss) before Tax and Extra Ordinary Items	4,15,22,235	4,01,90,599
Less: Extra Ordinary Items	-	-
Less: Current Tax	1,35,25,882	1,25,70,000
Deferred Tax	11,82,930	11,98,795
Prior Period Tax	-	(1,82,719)
Add/Less: MAT credit Entitlement	-	-
Profit/(Loss) After Tax	2,68,13,423	2,66,04,522
Brought forward balance of Profit & Loss A/c	15,21,77,441	12,55,72,919
Balance Carried to Balance Sheet	17,89,90,864	15,21,77,441

2. **Financial Highlights & Operation:**

During the Year under review, the total revenue from operations of your Company for the year 2016-17 has substantially increased at Rs. 24158.12 Lacs as against Rs. 23520.75 Lacs for the year 2015-16.

The PAT of your company stood at Rs. 268.13 Lacs as against Rs. 266.04 Lacs in previous financial year and hereby noticed the growth of Rs. 2.09 Lacs.

Paid up share capital of the company increased to Rs. 829.03 Lacs from Rs. 595.03 Lacs Pursuant to Initial public offering (IPO) of Rs. 889.20 Lacs (Rupees Eight crore Eighty Nine Lacs twenty thousand) under SME platform of BSE, 23,40,000 (Twenty Three Lacs forty thousand) Equity share of Rs. 10/- each at price of Rs. 38/- per Equity shares, allotted as on September 09, 2016 in terms of prospectus dated August 29, 2016.

Your Directors have taken appropriate remedial action to mitigate the adverse circumstances for better performance and results during the current year.

Your Company has taken effective steps to improve its production and sales during the year under review.

3. Initial Public Offering (IPO) :

During the year under review your company entered into the capital markets with a public issue of 23,40,000 equity shares of Rs. 10/- each at a premium of Rs. 28/- per share aggregating to Rs. 88,920,000. The issue received good response and the same was over subscribed. The equity shares have been listed and traded on the SME Platform of BSE Ltd Subsequent to the IPO the issued, subscribed and paid up capital of your company stands at Rs. 82,902,520 divided into 2,340,000 equity shares of Rs. 10/- each. The Company has fully spent / utilized the proceeds of the funds raised under the IPO as per the object of the issue. The disclosure in compliance with the SEBI Regulation 32 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is as under:

Sr. No.	Particulars	Amount (Rs. In Lacs)
I	To meet working capital requirements	700.00
II	General Corporate Expenses	156.20
III	Issue Expenses	33.00
Total		889.20

The Company confirms that the annual listing fees to the stock exchange for the financial year 2017-18 are paid.

4. Share Capital:

The paid up equity capital as on March 31, 2017 was Rs. 829.03 Lacs during the year under review. During the year the company has raised Rs. 889.20 Lacs by way of issue of 23.40 Lacs Equity shares at Rs. 38 Per Share (Face Value Rs. 10).

5. Dividend:

The Company has made the profits during the year, but to conserve the resources, the Directors do not recommend Dividend this year.

6. Deposits:

The Company has not accepted any fixed deposits during the year to which the provisions of Section 73 of the Companies Act, 2013 are applicable.

7. Transfer To Reserves:

Your company has not transferred any amount to reserves during the year under consideration.

8. Internal Financial Controls:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operations were observed.