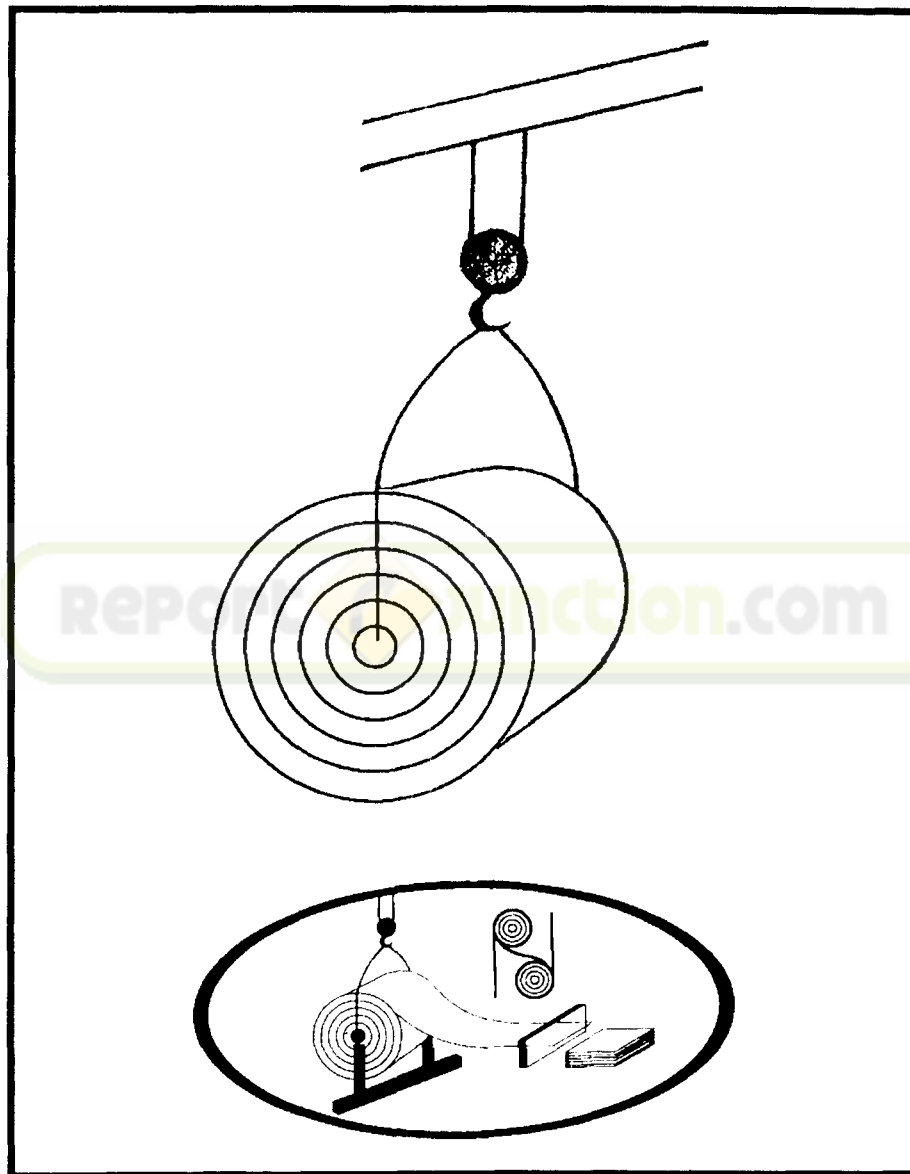


# 13TH ANNUAL REPORT 2003-2004



## RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

Regd. Office : Plot No. C-17/2, MIDC Ind. Area, Taloja, District Raigad, (Maharashtra).  
Head Office : Giriraj, Ground Floor, Sant Tukaram Road, Iron Market, Mumbai - 400 009.

## **RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED**

### **BOARD OF DIRECTORS**

**Mr. Ashok M.Mehta**  
(Chairman & Managing Director)

**Mrs. Kumud A.Mehta**

**Mr. Indrajit L.Sawant**

**Mr. Akshay D.Shah**  
(Upto 25/03/2004)

**Mr. Harkisan M.Mehta**

**Mr. Devanshu P.Desai**

**Mr. Deepak S.Shah**  
(From 25/03/2004)

**Mr. Yash A.Mehta**  
(From 30/07/2004)

### **REGISTERED OFFICE & WORKS**

Plot No. C-17/2, MIDC Industrial Area,  
Taloja, Dist. Raigad (Maharashtra)

### **BANKERS**

Co-Operative Bank of Ahmedabad Ltd.  
Bank of Baroda

### **AUDITORS**

M/s. Akshay D.Shah & Co.  
Chartered Accountants

### **REGISTRARS & TRANSFER AGENT FOR TRANSFER AND DEMETERIALIZATION**

M/s. Mondkar Computers Pvt.Ltd.  
21, Shakil Niwas,  
Mahakali Caves Road,  
Andheri (East),  
Mumbai-400 093

### **NOTICE**

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the members of Rishabh Digha Steel and Allied Products Ltd. will be held as detailed below:

Day : Monday  
Date : 27<sup>th</sup> September, 2004  
Venue : Registered Office at  
Plot No. C-17/2, MIDC Industrial Area.  
Taloja, Dist. Raigad., (Maharashtra)  
Time : 11.00 A.M.

Agenda for the meeting will be as under:-

#### **Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2004 and Profit & Loss Account for the year ended on that date, Directors' Report and Auditors Report thereon.
2. To consider payment of Dividend on Equity Shares of the Company.
3. To appoint a Director in place of Shri Harkisan M.Mehta, who retires by rotation and being eligible, offers for reappointment.
4. To appoint a Director in place of Smt. Kumud A.Mehta, who retires by rotation and being eligible, offers for reappointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

#### **Special Business**

6. To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:-  
  
"RESOLVED THAT Shri Deepak S.Shah who was appointed as an additional director of the company pursuant to Section 260 of the Companies Act, 1956, and who holds office until the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the company liable to retirement by rotation".
7. To consider and if thought fit, to pass with or without modifications the following resolution as an ordinary resolution:-

**"RESOLVED THAT Shri Yash Ashok Mehta who was appointed as an additional director of the company pursuant to Section 260 of the Companies Act,1956, and who holds office until the conclusion of this Annual General Meeting be and is hereby appointed as a Director of the company liable to retirement by rotation".**

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as Ordinary Resolution:-

**"RESOLVED THAT pursuant to Section 198, 269, 309 and other applicable provisions if any of the Companies Act,1956 sanction and consent be and is hereby accorded to the re-appointment of Shri Ashok M.Mehta as Managing Director of the Company for a period of five years with effect from 01/10/2004 on the following remuneration:-**

Salary	: Rs. 30,000/- per month in the Grade of 30,000 – 2,000 – 40000.
Perquisites	: Subject to a ceiling of 20% of Annual Salary per annum.
i) Provident Fund	: Company's contribution subject to ceiling of 12% of the salary.
ii) Gratuity	: Not to exceed half month's salary for each completed year of service as may be permissible under the income-tax Act,1961 or the Rules framed thereunder.
iii) Medical Benefit	: For self and family reimbursement of expenses actually incurred the total cost of which to the company shall not exceed one month's salary in a year or three months salary in a block of three years.
iv) Leave	: One month's leave with pay for every eleven months service.
v) Leave Travel	: For self, wife and dependent children to and from any place in India once in a year, subject to the condition that only actual fares will be paid and no hotel expenses etc. will be allowed.
vi) Conveyance	: Free use of Company's car with driver. The monetary value of the perquisite will be evaluated as per the income-tax Rule,1962.
vii) Personal Accident	: Personal Accident Insurance of an amount the premium of which does not exceed Rs.1,000/- per annum.

- viii) Telephone : Free Telephone facility at residence.
- ix) Club : Free of club subject to a maximum of two club, provided that no life membership or admission fees is payable.

( Item I, ii, vi and viii – above will not form part of the perquisites).

Remuneration as above put together with remuneration payable on other Directors shall not exceed 10% of net profits. Remuneration as above shall be paid as minimum remuneration in the event of absence or inadequacy of profits subject to provisions of section II of part II of schedule XIII of the Companies Act, 1956.

"RESOLVED FURTHER THAT the Draft of the agreement incorporating the terms of appointment as placed before the Meeting be and is hereby approved and after obtaining necessary approvals, the engrossment of the said Draft be executed in terms of provisions of Articles of Association of the company under the Common Seal of the Company."

Place : Mumbai

By Order of the Board

Dated : 30<sup>th</sup> July, 2004

Registered Office:-  
Plot No.C-17/2,  
MIDC Industrial Area,  
Taloja, Dist. Raigad, (Maharashtra)

ASHOK M.MEHTA  
(Chairman & Managing Director)

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.
2. Members are requested to immediately notify the Company, Change, if any, in their address for communication.
3. M/s. Mondkar Computers Pvt.Ltd. are appointed as Transfer Agents and Dematerialisation Agents of the Company, Members are requested to utilise their services as and when required. Their address is as follows.

21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai-400 093

4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 20<sup>th</sup> September,2004 to Monday the 27<sup>th</sup> September,2004 (Both days inclusive)

## ANNEXURE TO THE NOTICE

### Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956

The following explanatory statement relating to Item No.6, 7 & 8 of the accompanying Notice set out all Material facts as required under section 173 of the Act:

#### Item No. 6

Shri Deepak S.Shah was appointed as an Additional Director by the Board on 25<sup>th</sup> March,2004 as per section 260 of the Companies Act,1956. He holds office until the conclusion of this meeting. Notice pursuant to Section 257 of the Companies Act,1956 has been received by the company from a member signifying his intention to propose the resolution contained in the Notice.

None of the directors is interested in the resolution. The resolution is commended for adoption by the members.

#### Item No.7

Shri Yash Ashok Mehta was appointed as an Additional Director by the Board on 30<sup>th</sup> July,2004 as per section 260 of the Companies Act,1956. He holds office until the conclusion of this meeting. Notice pursuant to Section 257 of the Companies Act,1956 has been received by the company from a member signifying his intention to propose the resolution contained in the Notice.

Shri Ashok M.Meheta and Smt. Kumud A.Mehta directors are interested in the resolution. The resolution is commended for adoption by the members.

Item No. 8

Shri Ashok M.Mehta has been appointed as Chairman and Managing Director of the company as per resolution passed by the shareholders at the General Meeting of the Company held on 21<sup>st</sup> September,2000 on a remuneration of Rs.20,000/- per month with perquisites. The resolution provided the grade of 20,000 – 2,000 – 30,000. However, due to difficulties faced by the company's during this period, Shri Ashok M.Mehta, Managing Director had not taken any increment in salary over and above Rs.20,000/- per month. Now that the financial position of the company had improved and the company was likely to declare dividend for the year ended 31<sup>st</sup> March,2004. It is proposed to enter into fresh agreement with Shri Ashok M.Mehta, Chairman and Managing Director for a period of 5 years from 01/10/2004 to 30/09/2009 on the terms and conditions setout in the resolution contained in the notice.

The Board of directors at its meeting held on 30<sup>th</sup> July,2004 have approved the reappointment of Shri Ashok M.Mehta as Chairman and Managing Director of the company on the terms and conditions setout in the notice.

The remuneration payable to Shri Ashok M.Mehta, Chairman and Managing Director is in consonance with section 269, 198 & 309 read with schedule XIII of the companies Act,1956. The Draft of Agreement between the Company and Shri Ashok M. Mehta as Chairman and Managing Director is available for Inspection of the Members during the office hours on all working days except Sunday between 3.00 pm. to 5.00 pm. upto the date of Annual General Meeting.

In accordance with the provision of schedule XIII of the companies Act,1956 the appointment of Shri Ashok M.Mehta, Chairman and Managing Director and remuneration payable to him are subject to approval of shareholders and hence the resolution as contained in the notice is commended for adoption by the members.

This may be treated as an abstract of the Draft Agreement between the Company and Shri Ashok M.Mehta, pursuant to Section 302 of the Companies Act,1956.

None of the directors is interested in the resolution except Smt. Kumud A.Mehta, Director.

Place : Mumbai

By Order of the Board

Dated : 30<sup>th</sup> July,2004

Registered Office:-  
Plot No. C-17/2,  
MIDC Industrial Area,  
Taloja, Dsit. Raigad. (Maharashtra)

ASHOK M.MEHTA  
(Chairman & Managing Director)

## **RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED**

### **DIRECTORS' REPORT**

Yours Directors have pleasure in presenting the 13<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March,2004.

#### **1. Financial Highlights**

(Rs. In Lacs)

<b>Sales and Job Works</b>	747.52	267.33
Other Income	-	0.86
Profit before Depreciation	70.28	13.69
Depreciation	22.79	21.77
Profit/Loss after Depreciation	47.49	(8.08)
Provision for taxation	1.16	0.24
Current	2.89	-
Deferred	44.04	(7.84)
Profit after tax	43.34	51.18
Balance B/F from Previous Year	-----	-----
Profit available for appropriation	87.38	43.34
	=====	=====
<b><u>Appropriation</u></b>		
Transfer to General Reserve	-	-
Dividend (Proposed)	55.00	-
Corporate Dividend Tax	6.87	-
Balance Carried to Balance Sheet	25.51	43.34
	-----	-----
	87.38	43.34
	=====	=====

#### **2. Dividend**

The Directors have decided to recommended dividend at 10% per share for the year ended 31<sup>st</sup> March,2004.

#### **3. Operations**

During the year under Report, the Company has achieved the Turnover of Rs.747.52 lacs as against Rs.267.33 lacs in the previous year. Profit before depreciation amounted to Rs.70.28 lacs. After providing for Depreciation of Rs.22.79 lacs and provision for taxation amounting to Rs.1.16 lacs and deferred liability for tax amounting Rs.2.89 lacs the year has ended in a profit of Rs.44.04 lacs. After adjustment of balance of Rs.48.84 lacs brought from last year, the year has ended profit of Rs.87.38 lacs which is available for appropriation. The dividend as recommended by the directors @10% per equity shares if sanctioned will be paid to equity shareholders after payment of tax amounting Rs.6.87 lacs and the balance amount of Rs. 25.51 lacs will be carried to balance sheet.

The Economy measures taken by the Management have resulted in improvement in performance of the Company. With a view to improve infrastructure, your Management has appointed Senior Consultant for upgradation of Plant / Machinery as also to advise the management and implement process of improving plant efficiency. The initial results are encouraging.



#### **4. Current Year Working**

Your company has executed sizeable orders during the 1<sup>st</sup> Quarter ended 30/06/2004 and the achieved the Turnover of Rs.275.85 lacs during the 1<sup>st</sup> Quarter as against Rs.88.62 lacs during the Corresponding Quarter last year.

Your Company is now concentrating on job work rather than trading activities as profit margin is attractive / remunerative. The profit during the current year is likely to be on the higher side as compared to year under report.

#### **5. Directors**

During the year under review, Shri Akshay D.Shah, Director submitted resignation on 25/03/2004 and same has been accepted by the Board.

During the year under review, Shri Deepak S.Shah, has been inducted in the Board of Directors of the Company on 25/03/2004. He holds office upto the date of 13<sup>th</sup> Annual General Meeting. The company has received Notice under section 257 of the Companies Act,1956 from a member notifying the intention to propose necessary resolution at ensuing Annual General Meeting for the appointment of Shri Deepak S.Shah as a Director of the company. Necessary item has been included in Notice convening the 13<sup>th</sup> Annual General Meeting and the appointment of Shri Deepak S.Shah as a Director of the company, liable to retirement by rotation, is recommended for adoption by the members.

During the year under review, Shri Yash Ashok Mehta, has been inducted in the Board of Directors of the Company on 30/07/2004. He holds office upto the date of 13<sup>th</sup> Annual General Meeting. The company has received Notice under section 257 of the Companies Act,1956 from a member notifying the intention to propose necessary resolution at ensuing Annual General Meeting for the appointment of Shri Yash Ashok Mehta as a Director of the company. Necessary item has been included in Notice convening the 13<sup>th</sup> Annual General Meeting and the appointment of Shri Yash Ashok Mehta as a Director of the company, liable to retirement by rotation, is recommended for adoption by the members.

#### **6. Reappointment of Shri Ashok M.Mehta as Chairman and Managing Director.**

Shri Ashok M.Mehta has been appointed as Chairman and Managing Director of the company as per resolution passed by the shareholders at the General Meeting of the Company held on 21<sup>st</sup> September,2000 on a remuneration of Rs.20,000/- per month with perquisites. The resolution provided the grade of 20,000 – 2,000 – 30,000. However, due to difficulties faced by the company's during this period, Shri Ashok M.Mehta, Managing Director had not taken any increment in salary over and above Rs.20,000/- per month. Now that the financial position of the company had improved and the company was likely to declare dividend for the year ended 31<sup>st</sup> March,2004. It is proposed to enter into fresh agreement with Shri Ashok M.Mehta, Chairman and Managing Director for a period of 5 years from 01/10/2004 to 30/09/2009 on the terms and conditions setout in the resolution contained in the notice.

The Board of directors at its meeting held on 30<sup>th</sup> July,2004 have approved the reappointment of Shri Ashok M.Mehta as Chairman and Managing Director of the company on the terms and conditions setout in the notice.

Necessary Resolution has been included in the notice convening 13<sup>th</sup> Annual General Meeting and the same is commended for adoption by the members.

#### **7. Corporate Governance**

Corporate Governance Report for the period 01/04/2003 to 31/03/2004 is annexed.

#### **8. Donations**

During the year under report donations were granted to Social / Educational Institutions amounting to Rs.8,427/- (Previous year Rs.1,852/-)

#### **9. Fixed Deposits**

The company has not accepted or renewed any deposits within the meaning of section 58A of the Companies Act, 1956 and the rules framed there under.

#### **10. Directors' Responsibility Statement**

Your directors confirm that:

- a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures:
- b) The Director had selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period.
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safe guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The Annual Accounts have been prepared on a going concern basis.

#### **11. Auditors**

M/s. R.K.Khona & Co. Chartered Accountants, Statutory Auditors of the company submitted resignation during the year under report and the same was accepted by the Board of directors of the company.

Shri Akshay D.Shah & Co. Chartered Accountants, Statutory Auditors were appointed by the board in place of M/s. R.K.Khona & Co. at its meeting held on 23/04/2004. Shri Akshay D.Shah & Co. Chartered Accountants, Statutory Auditors retire at the ensuing Annual General Meeting and being eligible offer themselves for reappointment. The Company has obtained from the Auditors, a certificate to the effect that their re-appointment, if made, will be in accordance with the limits specified under section 224 (1B) of the Companies Act, 1956.

#### **12. Auditors' Report**

Auditors' Report read together with the notes given thereon are self explanatory and your directors have no comments to offer for the same.