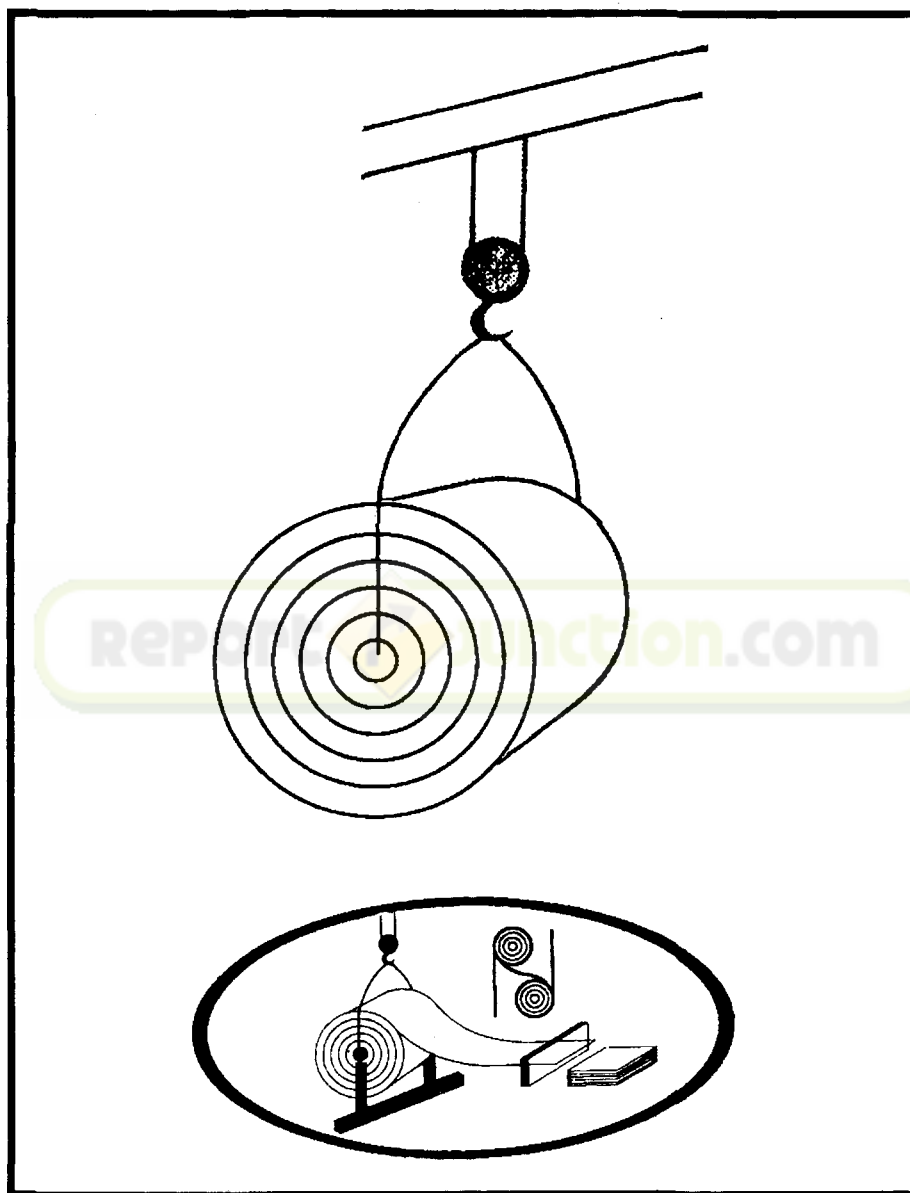


16TH ANNUAL REPORT 2006-2007



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.

Website : www.rishabhdighasteel.com • **E-mail :** info@rishabhdighasteel.com

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

BOARD OF DIRECTORS

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

Mr. Harkisan M. Mehta

Mrs. Kumud A. Mehta

Mr. Indrajit L. Sawant

Mr. Yash A. Mehta
(Executive Director – Marketing)

Mr. Ashwin P. Sanghavi

Mr. Mahendra D. Sanghavi

Mr. Snehal S. Chinai
(From 07/08/2007)

REGISTERED OFFICE & WORKS

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

BANKERS

Bank of Baroda

AUDITORS

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

**REGISTRARS & TRANSFER AGENTS 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 16th Annual General Meeting of the members of Rishabh Digha Steel and Allied Products Ltd. will be held as detailed below:

Day : Wednesday
 Date : 26th September, 2007
 Venue : Registered Office at
 Plot No. C-17/2, MIDC Industrial Area.
 Taloja, Dist. Raigad., (Maharashtra)
 Time : 10.00 A.M.

Agenda for the meeting will be as under:-

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2007 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 Indrajit L. Sawant, who retires by rotation and being eligible, offers for re-appointment.
4. To appoint a Director in place of Smt. Kumud Ashok Mehta, who retires by rotation and being eligible, offers for re-appointment.
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 Snehal S. Chinai who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company and 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".

Place : Mumbai

By Order of the Board

Dated : 07th August, 2007

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, Changes, if any, in their address for communication.
3. M/s. Moniker 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 17th September, 2007 to Wednesday the 26th September, 2007 (Both days inclusive)
5. As required under the listing agreement, a brief write up is reproduced below in respect of the two Directors whose re-appointment is placed before this AGM. Similarly a brief write up on Shri Snehal S. Chinai Director who was appointed as Additional Director and who is proposed to be appointed as Director liable to retirement by rotation is placed before this AGM.

i)

Name	:	Shri Indrajit L. Sawant
Date of Birth	:	15/07/1939
Expertise	:	Shipping and Shipping related activities, International Freight Forwarding, Logistics support providing services.
Directorship Held in other Company	:	Global Saga Logistics Pvt. Ltd., Mumbai
Shares Held	:	Nil

ii)

Name	:	Smt. Kumud A. Mehta
Date of Birth	:	02/02/1952
Expertise	:	Administration.
Directorship Held in other Company	:	Digha Steel Industries Pvt. Ltd. Dhan Financial Services Pvt. Ltd. Mahuva Steel Industries Pvt. Ltd.
Shares Held	:	158600 equity shares.

iii) Additional Director eligible as a Director liable to retirement of rotation.

Name : Shri Snehal S. Chinai
 Date of Birth : 16.06.1949
 Date of Appointment : 07.08.2007
 Expertise : Electronic Engineer.
 Directorship Held in other Company : Nil
 Shares Held : 250 equity shares.

ANNEXURE TO THE NOTICE

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

The following explanatory statement relating to Item No.5 of the accompanying Notice set out all Material facts as required under section 173 of the Act:

Item No.5

Shri Snehal S. Chinai has been appointed as an Additional Director of the Company from 07th August, 2007 by the Board of Directors of the Company as per Section 260 of the Companies Act, 1956 and Articles of Association of the Company. He holds office of Director until the conclusion of 16th Annual General 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.

Place : Mumbai

By Order of the Board

Dated : 07th August, 2007

ASHOK M. MEHTA
 Chairman & Managing Director

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

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the 16th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2007.

1. Financial Highlights

(Rs. In Lacs)

	For Year Ended 31/03/2007	For Year Ended 31/03/2006
Sales and Job Works	388.03	336.64
Other Income	16.51	17.73
Profit before Depreciation	166.89	180.24
Depreciation	26.18	25.69
Profit/Loss after Depreciation	140.71	154.55
Provision for taxation	55.38	56.99
Current		(0.64)
Deferred		
Profit after Tax	84.46	98.20
Balance B/F from Previous Year	6.23	15.53
	-----	-----
Profit available for appropriation	90.68	113.73
	=====	=====
<u>Appropriation</u>		
Transfer to General Reserve	3.15	13.43
Interim Dividend Paid	55.00	55.00
Dividend (Proposed)	-	27.50
Corporate Dividend Tax	7.71	11.57
Balance Carried to Balance Sheet	24.82	6.23
	-----	-----
	90.68	113.73
	=====	=====

2. Dividend

The Directors have already declared Interim Dividend of 10% subject to approval of members in General Body and paid the same in the month of February, 2007. The Interim Dividend will be treated as Final Dividend for the financial year ending 31/03/2007, since the Directors are unable to recommend any further dividend than 10%.

3. Operations

During the year under Report, the Company has achieved the Turnover of Rs.404.54 lacs as against Rs.354.37 lacs in the previous year. Profit before depreciation amounted to Rs.166.89 lacs. After providing for Depreciation of Rs.26.18 lacs and provision for taxation amounting to Rs.55.38 lacs, the year has ended in a profit of Rs.84.46 lacs. After adding of balance of Rs.6.23 lacs brought from last year, the year has ended in a profit of Rs.90.68 lacs which is available for appropriation. Of which Rs.55 lacs have already been paid as interim dividend alongwith Dividend Tax of Rs.7.71 lacs. The Directors are unable to recommend any further dividend than the Interim Dividend already paid.

The Interim Dividend will be treated as Final Dividend for the year 31/03/2007. After transfer of amount of Rs.3.15 lacs to General Reserve, the Balance amount of Rs.24.82 lacs will be carried to Balance Sheet.

The Capacity Utilisation during the year was satisfactory.

4. Current Year Working

Your Company has executed sizeable orders during the 1st Quarter ended 30/06/2007 and achieved the Turnover of Rs.107.99 lacs during the 1st Quarter as against Rs.107.94 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

Shri Indrajit L. Sawant and Smt. Kumud A. Mehta, Directors retire by rotation. They being eligible offer themselves for re-appointment. Necessary items have been included in the notice convening 16th Annual General Meeting of the Company and the same are commended for the adoption by the members.

Shri Snehal S. Chinai was appointed as an Additional Director by the Board of Director of the Company pursuant to section 260 of the Companies Act 1956 and the Articles of Association of the Company from 07/08/2007. He holds office upto the conclusion of the 16th Annual General Meeting. Necessary item has been included in the notice convening 16th Annual General Meeting of the Company and the same is commended for the adoption by the members.

6. Corporate Governance

Corporate Governance Report for the period 01/04/2006 to 31/03/2007 is annexed.

7. Donations

During the year under report, Donations were granted to Social / Educational Institutions amounting to Rs.25,84,752/- (Previous year Rs.19,72,040/--)

8. 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 thereunder.

9. 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 safeguarding 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.

10. Auditors

Shri Akshay D. Shah & Co. Chartered Accountants, Statutory Auditors retire at the ensuring Annual General Meeting and being eligible offer themselves for re-appointment. 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.

11. 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.

12. Annexure to Directors' Report

- i) Requirement as per section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975, as amended are not applicable at present.
- ii) The Company has been taking reasonable steps to minimize the electricity consumption. Company procures electricity from the State Electricity Board. The Company has no activities relating to generation and conservation of energy or technology absorption. The Company did not have any foreign exchange earning or expenditure, during the year under report.

13. Industrial Relations

During the year under report, the relations with Staff & Workmen continued to be cordial. The Board expresses its appreciation towards the untiring efforts in the working of the Company by employees at all levels.

14. Acknowledgement

The Directors record their appreciation for the continued Co-operation and support extended by Company's Bankers, Customers, Suppliers and Shareholders of the Company.

For and behalf of the Board

Place : Mumbai

Dated : 07th August, 2007

ASHOK M. MEHTA
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Outlook

The Steel Industry has assumed vital importance in the Development of Indian Economy. The Infrastructure Industry, Automobile Industry and Road Development Activities are developing enormously.

Your Company has a vital role to play in the developing in the Economy, as the job orders of de-coiling, straightening, shearing and cutting of varies sizes of Iron and Steel Coils are on the increase during last couple of years.

On account of increase in the consumption of steel the Company will continue to receive job orders from manufacturers, traders and local suppliers of steel.

2. Risk and Concerns

The Company is facing acute competition in obtaining job orders since the prices of steel plates have gone up. However due to specialised execution of the job orders your Company will continue to get more orders as compared to other competitors.

3. Internal Control Systems

The Company had engaged the services of expert consultant to streamline adequate internal control systems to ensure efficiency of machinery and the result is positive.

4. Financial Performance –Vis-à-vis Operations

The Company has achieved profit of Rs.166.89 lacs before depreciation as against Rs.180.24 lacs during the previous year and the profit after tax has slightly reduced from Rs.98.20 lacs during the last year to Rs.84.46 lacs during the year under report.

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED**Report on Corporate Governance****1. Company's Philosophy on code of Governance:**

The Company's Philosophy on Corporate Governance envisages the attainment of the high level of transparency and accountability in the functioning of the Company and the conduct of its business internally and externally, including its interaction with employees, shareholders, creditors, consumers, institutional and other terms lenders and places due emphasis on regulatory compliance.

2. Board of Directors:

The present strength of Board of Directors is EIGHT. Mr. Ashok M. Mehta is Chairman & Managing Director, Out of 8 Directors, 50% of the Directors on the Board of Director of the company are Non-Executive and Independent. The composition of the Board of Directors thus meets with the stipulated requirements.

The Corporate Governance Compliance Report submitted herewith is for a period from 01/04/2006 to 31/03/2007.

During the financial year ended on 31/03/2007, Five Board meetings were held on 28/04/2006, 24/07/2006, 14/08/2006, 30/10/2006 and 19/01/2007.

The Company's last Annual General Meeting was held on 26/09/2006.

The Board's composition and categories as on 31/03/2007 and the attendance of each Director at Board Meeting and last Annual General Meeting are as under:-

Name of Director	Cate- gory	No. of Direc- torship In Other Cos.	No. of Board Committee For which Chair-Person	No. of Board Meetings Attended	Whether Atten- ded Last A.G.M.
Mr. Ashok M.Mehta	CMD	4	4	5	Yes
Mr. Harkisan M.Mehta	Director	1	Nil	5	Yes
Mrs. Kumud A.Mehta	Director	3	Nil	5	Yes
Mr. Indrajit L.Sawant	Director	Nil	Nil	3	No
Mr. Deepak S.Shah (upto 26/09/2006)	Director	Nil	Nil	2	Yes
Mr. Yash A.Mehta	Director	Nil	Nil	5	Yes
Shri Ashwin P.Sanghavi	Director	2	2	2	No
Mr.Mahendra D. Sanghavi	Director	Nil	Nil	3	No