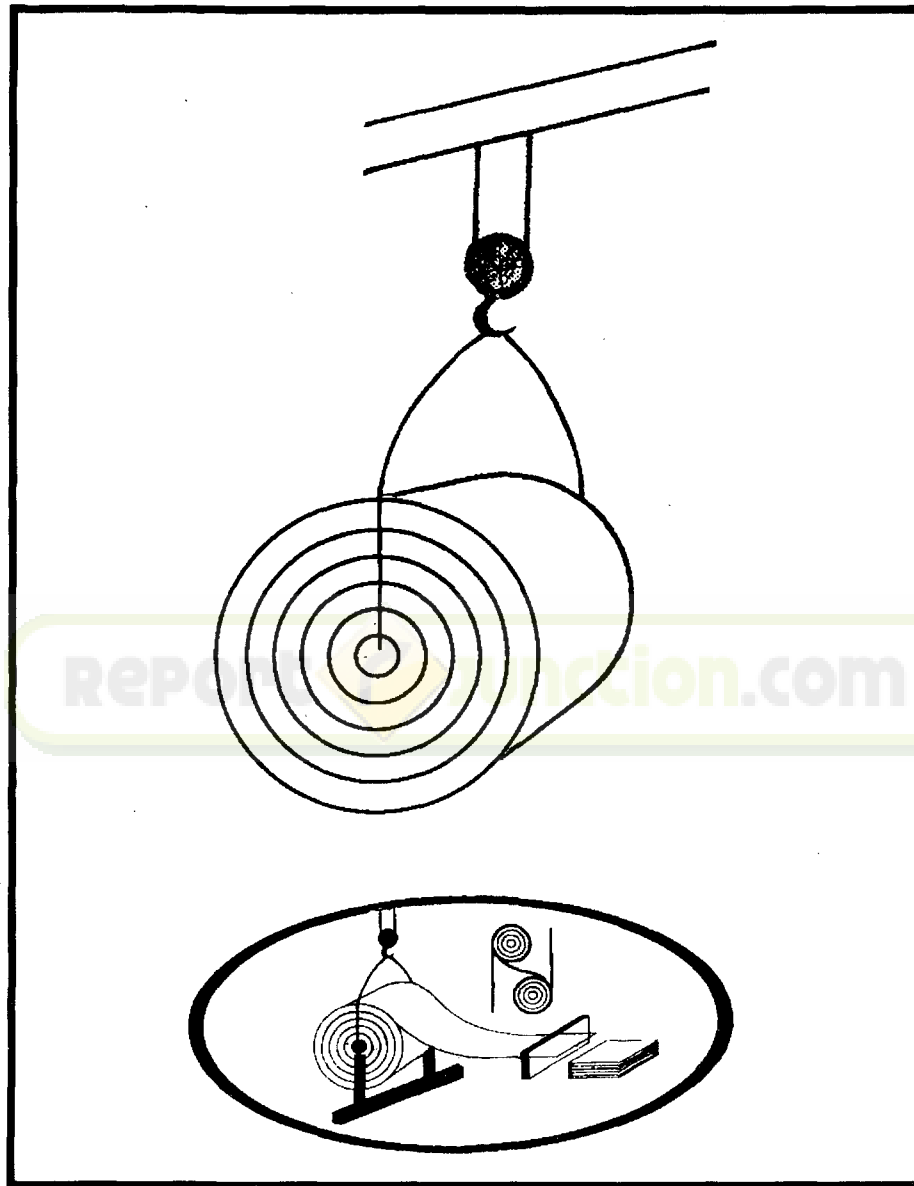


# 18TH ANNUAL REPORT 2008-2009



## 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](http://www.rishabhdighasteel.com) • E-mail : [info@rishabhdighasteel.com](mailto:info@rishabhdighasteel.com)

**RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED**

**BOARD OF DIRECTORS**

**CHAIRMAN & MG. DIRECTOR:**      **SHRI. ASHOK M. MEHTA**

**DIRECTORS**                                **:**      **SHRI. ASHOK M. MEHTA**

**SHRI. YASH A. MEHTA**

**SHRI. ASHWIN P. SANGHAVI**

**SMT. SNEHAL S. CHINAI**

**SMT. KUMUD A. MEHTA**  
**(Resigned w.e.f. 17/03/2009)**

**SHRI. MAHENDRA D. SANGHAVI**  
**(Resigned w.e.f. 17/03/2009)**

**SHRI. HARKISAN M. MEHTA**  
**(Resigned w.e.f. 17/03/2009)**

**SHRI. INDRAJIT L. SAWANT**  
**(Resigned w.e.f. 17/03/2009)**

**BANKERS**                                        **:**      **BANK OF BARODA**

**AUDITORS**                                        **:**      **M/S AKSHAY D. SHAH & CO.**  
**Chartered Accountants**  
**MUMBAI**

**REGISTERED OFFICE**                                **:**      **Plot No. C-17/2, MIDC Industrial Area,**  
**Taloja, Dist. Raigad-410208 (Maharashtra)**

**HEAD OFFICE**                                        **:**      **Giriraj Bldg, Ground Floor, Iron Market,**  
**Sant Tukaram Road, Mumbai-400009**

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 18<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED WILL BE HELD AT PLOT NO. C-17/2, MIDC INDUSTRIAL AREA, TALOJA, DIST. RAIGAD-410208 (MAHARASHTRA) ON THURSDAY, 24<sup>TH</sup> SEPTEMBER, 2009, AT 10.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS.**

**ORDINARY BUSINESS :**

- 1.) To receive, consider and adopt the Profit and Loss Account of the Company for the year ended 31st March, 2009 and Balance Sheet as at that date, Cash Flow statement for the year ended 31st March, 2009 and Report of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Shri Yash A. Mehta who retires by rotation and being eligible, offers himself for re – appointment.
- 3) To declare dividend on Equity Shares for the financial year ended 31<sup>st</sup> March, 2009.
- 4) To appoint M/s. Akshay D. Shah, Chartered Accountants, as Statutory Auditor of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**NOTES :**

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and to vote on a poll instead of himself and such proxy need not be a member of the company. Proxies in order to be effective must be received by the company not later 48 hours before the meeting.
2. The Register of Members and the Share Transfer Book of the Company will remain closed from 17<sup>th</sup> September, 2009 to 24<sup>th</sup> September, 2009 (both days inclusive).
3. Members are requested to notify immediately any change in their addresses to the Company's Registrars, M/s Mondkar Computers Private Limited., 21, Shakil Niwas, Mahakali Caves , Andheri ( East), Mumbai-4000093.
4. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
5. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the Registered Office of the Company or at the office of R & T Agent prior to closure of the Register of Members as stated above.

**For and on behalf of the board**

**Place : Mumbai**  
**Date : 20<sup>th</sup> August, 2009**

**ASHOK M. MEHTA**  
**Chairman and Managing Director**

## DIRECTOR'S REPORT

The Directors have pleasure in presenting their 18<sup>th</sup> Annual Report on the business and operations of the Company for the year ended 31<sup>st</sup> March, 2009.

### 1. FINANCIAL RESULTS :

	(Rs. In Lacs)	
	31 <sup>st</sup> March, 2009	31 <sup>st</sup> March, 2008
Operating Income ( from Job Work)	478.95	536.94
Other Income	33.56	40.03
Profit (Loss) before Depreciation	296.72	350.37
Less : Depreciation	<u>27.74</u>	<u>26.37</u>
Profit/ (Loss) after Depreciation	268.98	324.00
Less : Provision for Tax	99.06	112.28
Less: Deffered Tax	0.89	(1.61)
Less : Provision for FBT	<u>1.35</u>	<u>1.55</u>
Profit/ (Loss) after Tax	167.68	211.78
Add :Amount brought forward from Previous Year	97.72	29.14
Amount available for appropriation	265.40	240.91
<u>Appropriations</u>		
Proposed Dividend @ 1 rupee per share	54.86	54.84
Interim Dividend paid	-	54.84
Tax on proposed dividend	9.32	18.70
Transfer to General Reserve	-	14.40
Prior Period Items	<u>(0.64)</u>	<u>0.41</u>
Balance carried to Balance Sheet (Profit/ (Loss) Account)	201.86	97.72

2. **DIVIDEND :**

The Board of Directors are glad to recommend dividend at 1.00 rupee per share on 54,86,400 Equity Shares of Rs.10/- each aggregating to Rs.54,86,400 for the year ended 31<sup>st</sup> March, 2009, subject to approval of the Members of the Company at the ensuing Annual General Meeting scheduled to be held on 24<sup>th</sup> September, 2009

3. **DIRECTORS :**

Shri Yash A. Mehta, Director of the Company retire by rotation under Article 104 of Articles of Association of the Company but being eligible offers himself for re-appointment. Shri. Mahendra D. Sanghvi, Shri. Indrajit L. Sawant, Shri. Harkisan M. Mehta and Smt. Kumud A. Mehta Directors of the Company resigned w.e.f. 17<sup>th</sup> March, 2009. The Board of Directors place on record its appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

4. **OPERATIONS:**

During the year under Report your Company achieved a Operating Income(from Job Work) of Rs.478.95 Lacs as against Rs.536.94 Lacs in the previous year. Other Income earned during the year stood at Rs.33.56 lacs as against Rs.40.03 lacs in the previous year. The Profit before Depreciation and tax was Rs.296.72 Lacs as against Rs.350.37 Lacs in the previous year. The profit after Depreciation and Tax was Rs 167.68 lacs as against Rs.211.78 lacs in the year ended 31<sup>st</sup> March, 2008.

5. **DONATIONS:**

During the year under report donations were made to Social/ Educational Institutions amounting to Rs. 27,46,704/- ( Previous year Rs. 21,52,351/-)

6. **AUDITORS:**

During the year, under report, M/s. Akshay D. Shah & Co., Chartered Accountants of the Company will retire at the conclusion of the forthcoming Annual General Meeting and as eligible offer themselves for reappointment as Statutory Auditors of the Company.

7. **AUDITOR'S REPORT:**

There are no adverse observations in the Auditor's Report.

8. **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, The Directors confirm that:

- a) in the presentation of the Annual Accounts, the applicable Accounting Standards except revised AS 15 applicable for Accounting Treatment for Gratuity, Leave

Encashment and other Retirement Benefits have been followed and that no material departures except to the extent disclosed have been made from the same;

- b) the Directors had selected such Accounting policies and applied them consistently and 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 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 the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and,
- d) the Directors had prepared the Annual Accounts on a going concern basis.

9. **STATEMENTS OF PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988**

Information in accordance with the provisions of Section 217(1)(e) of the Act read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in Annexure "A".

10. **DEMATERIALIZATION OF SHARES**

The trading in Rishabh Digha Steel and Allied Products Limited Shares is permitted in the dematerialized form also with effect from 10/07/2001, as per notification issue by the Securities and Exchange Board. The Equity Shares of the Company are actively traded on Bombay Stock Exchange. International Security Identification No. INE864D01015

11. **PUBLIC DEPOSITS**

The Company has not accepted any Public Deposits during the year under report.

12. **PARTICULARS OF EMPLOYEES :**

The Company has no employee in the category specified under Section 217(2A) of the Companies Act, 1956.

For and on behalf of the board

Place : Mumbai  
Date : 20<sup>th</sup> August, 2009

ASHOK M. MEHTA  
Chairman and Managing Director

**RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED****ANNEXURE 'A' TO DIRECTORS' REPORT**

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are as under :

**TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM - A IS GIVEN HEREUNDER:**

**2008-09**

**A. CONSERVATION OF ENERGY**

**ELECTRICITY CONSUMPTION  
(FOR MANUFACTURING)**

Unit ( KWH)	200399
Total Amount( Rs.)	11,31,692.34
Rate/Unit (average)	5.65

**B. TECHNOLOGY ABSORPTION**

Nil

**C. FOREIGN EXCHANGE EARNINGS  
AND OUTGO**

Nil

**For and on behalf of the board**

**Place : Mumbai  
Date : 20<sup>th</sup> August, 2009**

**ASHOK M. MEHTA  
Chairman and Managing Director**

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY 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 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.

Due to thrust on infrastructure development by the government of India the Company will continue to get orders on job work.

### **OPPORTUNITIES AND THREATS**

Indian domestic steel demand is set to grow exponentially driven by massive investments in infrastructure, automobile, construction, capital goods, consumer durables industries. Expansion plans by domestic players may boost the demand for steel in the country. Besides this, factors like growing economy, availability of skilled human at cheaper rate, large consumer base may attract the new players to enter into industry. Steel production is expected to grow up to 80 mn tones on the basis of massive capacity additions, by 2011. The major threats for steel industry are rising prices of raw materials necessary for producing the steel products. In addition to this, major obstacles are inadequate availability of suitable quality of coal and high cost of energy / finance.

### **RISKS AND CONCERNS**

In spite of growing demand and increase in production of steel products at domestic and global level during the year under review, there exists imbalance in respect of supply and demand. Rising prices of the steel products at global level and domestic market may slow down the demand for steel products. The company has been taking continuous modernization programme to maintain efficient operation of its Steel manufacturing activities. The Company is facing acute competition in obtaining job orders since the prices of steel plates have gone up. However due to specialized execution of the job orders your Company will continue to get more orders as compared to other competitors.

### **INTERNAL CONTROL SYSTEMS**

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



**FINANCIAL PERFORMANCE**

During the year under Report your Company achieved a Operating Income(from Job Work) of Rs.478.95 Lacs as against Rs.536.94 Lacs in the previous year. Other Income earned during the year stood at Rs.33.56 lacs as against Rs.40.03 lacs in the previous year. The Profit before Depreciation and tax was Rs.296.72 Lacs as against Rs.350.37 Lacs in the previous year. The profit after Depreciation and Tax was Rs 167.68 lacs as against Rs.211.78 lacs in the year ended 31<sup>st</sup> March, 2008.

Your Company has achieved the status of zero debt Company and dividend paying Company. The Company is also receiving interest on Loans to traders and suppliers. The Company has been paying Dividend from 2004 onwards.

**CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

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**For and on behalf of the board**

**Place : Mumbai**  
**Date : 20<sup>th</sup> August, 2009**

**ASHOK M. MEHTA**  
**Chairman and Managing Director**

**RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED****REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance:**

Your Company is fully committed to the principles of transparency, integrity and accountability in all spheres of its operations and has been practicing the principles of good corporate governance over the years. In keeping with this commitment, your Company has been upholding fair and ethical business and corporate practices and transparency in its dealings and continuously endeavours to review, strengthen and upgrade its systems and procedures so as to bring in transparency and efficiency in its various business segments.

Your Board of Directors present the Corporate Governance Report for the year 2008-09 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31<sup>st</sup> March 2009.

**2. Board of Directors:**

The Board of Directors of the company is composed of committed persons with considerable experience in varied fields. The Board is properly constituted as per Clause 49 of the Listing Agreement. The Chairman of the Board is Executive Promoter Director and 1/2 of the Directors are Independent Directors.

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the Companies in which he is a Director. Necessary Disclosures regarding Committee positions in other Public Companies as on March 31, 2009 have been made by the Directors.

During the financial year ended 31<sup>st</sup> March, 2009, 6(Six) Meetings of the Board of Directors were held as on 22/04/2008, 29/07/2008, 07/08/2008, 21/10/2008, 28/01/2009, and 17/03/2009.