

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

BOARD OF DIRECTORS

CHAIRMAN AND MANAGING DIRECTOR	:	SHRI ASHOK M. MEHTA
DIRECTORS	:	SHRI YASH A. MEHTA – EXECUTIVE DIRECTOR SHRI ASHWIN P. SANGHAVI SHRI SNEHAL S. CHINAI
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
REGISTRARS & TRANSFER AGENTS FOR TRANSFER AND DEMATERIALIZATION	:	M/s. Universal Capital Securities Pvt. Ltd. 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400 093

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 21st ANNUAL GENERAL MEETING OF THE MEMBERS OF M/S 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 WEDNESDAY, 26TH SEPTEMBER 2012, AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS

ORDINARY BUSINESS:

- 1.) To receive, consider and adopt the Statement of Profit and Loss of the Company for the year ended 31st March, 2012 and Balance Sheet as on that date, Cash Flow Statement for the year ended 31st March, 2012 and Report of the Directors and Auditors thereon.
- 2.) To declare Final Dividend for the year ended 31st March, 2012.
- 3.) To appoint a Director in place of Shri Yash A. Mehta who retires by rotation and being eligible, offers himself for re – appointment.
- 4.) To re-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.

SPECIAL BUSINESS:

5.) RE-APPOINTMENT OF SHRI ASHOK M. MEHTA AS MANAGING DIRECTOR OF THE COMPANY

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 198, 269, 309, 311 and any other applicable provisions if any of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and any statutory enactment or amendment thereto and subject to such sanction(s) and /or approvals as may be necessary in law, the consent of the Members of the Company be and is hereby granted for reappointment of Shri Ashok M. Mehta, Managing Director of the Company for a period of three years effective from 1st November, 2012 to 31st October, 2015 on expiry of his term on 31st October, 2012 at a remuneration of Rs.1,50,000/- per month plus benefits and perquisites as per details herein given below with liberty to the Board of Directors to alter, vary and modify the terms and conditions of his appointment as Managing Director in such manner as may be agreed to between the Board of Directors and Shri Ashok M. Mehta within and in accordance with the limits prescribed in Schedule XIII of the Companies Act., 1956 or any amendment thereto. The details of managerial remuneration payable to Shri Ashok M. Mehta as Managing Director are given below:

Salary:	Rs.1,50,000/- per month.
Perquisites	Subject to a ceiling of 20 % of Annual Salary per annum.
Provident Fund	Company's contribution subject to ceiling of 12 % of the salary.
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.
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 block of three years.
Leave	One month's leave with pay for every eleven month's of service.
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.
Conveyance	Free use of Company's car with driver. The monetary value of the perquisite will be evaluated as per Income tax Rules, 1962.
Personal Accident	Personal Accident Insurance of an amount the premium of which does not exceed Rs.1000/- per annum.
Telephone	Free telephone facility at residence.
Club	Fee of club subject to a maximum of two club, provided that no life membership or admission fees is payable.
House Rent Allowance	Rs.50,000/- per month

Provided that the total amount of Managerial Remuneration including the above benefits and perquisites (excluding exempted Perquisites such as Provident Fund, Contribution, Gratuity and Leave Encashment as defined in Part II of Section II (B) of Chapter XIII) shall not exceed Rs. 2,50,000/- per month.

RESOLVED FURTHER THAT the draft of the agreement incorporating the terms of appointment as placed before the Meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved and Shri. Ashwin P. Sanghvi be and is hereby authorised to sign and execute the said Agreement for and on behalf of the Company

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxations by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration) within such prescribed limit or ceiling.

RESOLVED FURTHER THAT in case of absence or inadequacy of profit, salary and perquisites as above will be payable to Shri. Ashok M. Mehta as minimum remuneration.”

6.) **RE-APPOINTMENT OF SHRI YASH A. MEHTA AS EXECUTIVE DIRECTOR, MARKETING OF THE COMPANY**

To consider and, if thought fit, to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of Section 198, 269, 309, 311 and any other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII of the Companies Act, 1956 and any statutory enactment or amendment thereto and subject to such sanction(s) and /or approvals as may be necessary in law, the consent of the Members of the Company be and is hereby granted for reappointment of Shri Yash A. Mehta, Executive Director, Marketing of the Company for a period of three years effective from 1st November, 2012 to 31st October, 2015 on expiry of his term on 31st October, 2012 at a remuneration of Rs.1,00,000/- per month plus benefits and perquisites as per details herein given below with liberty to the Board of Directors to alter, vary and modify the terms and conditions of his appointment as Executive Director, Marketing in such manner as may be agreed to between the Board of Directors and Shri Yash A. Mehta within and in accordance with the limits prescribed in Schedule XIII of the Companies Act., 1956 or any amendment thereto. The details of managerial remuneration payable to Shri Yash A. Mehta as Executive Director, Marketing are given below:

Salary:	Rs.1,00,000/- per month.
Perquisites	Subject to a ceiling of 20 % of Annual Salary per annum.
Provident Fund	Company's contribution subject to ceiling of 12 % of the salary.

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.
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 block of three years.
Leave	One month's leave with pay for every eleven month's of service.
Leave Travel	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.
Conveyance	Free use of Company's car with driver. The monetary value of the perquisite will be evaluated as per Income tax Rules, 1962.
Personal Accident	Personal Accident Insurance of an amount the premium of which does not exceed Rs.1000/- per annum.
Telephone	Free telephone facility at residence.
Club	Fee of club subject to a maximum of two club, provided that no life membership or admission fees is payable.
House Rent Allowance	Rs.33,333/- per month.

Provided that the total amount of Managerial Remuneration including the above benefits and perquisites (excluding exempted Perquisites such as Provident Fund, Contribution, Gratuity and Leave Encashment as defined in Part II of Section II (B) of Chapter XIII) shall not exceed Rs. 2,50,000/- per month.

RESOLVED FURTHER THAT the draft of the agreement incorporating the terms of appointment as placed before the Meeting duly initialed by the Chairman for the purpose of identification be and is hereby approved and Shri. Ashwin P. Sanghvi be and is hereby authorised to sign and execute the said agreement for and on behalf of the Company

RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxations by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration) within such prescribed limit or ceiling.

RESOLVED FURTHER THAT in case of absence or inadequacy of profit, salary and perquisites as above will be payable to Shri. Yash A. Mehta as minimum 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. Members are requested to notify immediately any change in their address.
3. The Register of Members and the Share Transfer Book of the Company will remain closed from 20th September, 2012 to 26th September, 2012 (both days inclusive).
4. Members desiring to submit mandates, to lodge transfer deed for shares are requested to forward the same so as to reach the Company's Registrars, M/s Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai-400093.
5. In accordance with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges the particulars of Directors who are proposed to be re-appointed are given in the Corporate Governance Section.
6. Members are requested to send their queries to the Company, if any, on Accounts at least 10 days before the Meeting.
7. 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.
8. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
9. Members/Proxies should bring the attendance slip duly filled in, for attending the Meeting. The Attendance slip is sent with this Annual Report.
10. Recently, the Ministry of Corporate Affairs (MCA) , Government of India, through its Circular Nos. 17/2011 and 18/2011, dated April 21, 2011 and April 29, 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate Governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send Documents like the Notice convening the general meetings, Financial Statements, Directors', Auditors' Report, etc to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email.

11. Members can avail of the Nomination facility by filing Form 2B with the Company or its Registrar. Blank forms will be supplied on request. In case of shares held in demat form, the nomination has to be lodged with their DP.
12. Members are informed that in case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to System Support Services.

For and on behalf of the Board

Place: Mumbai

Date: 31st August, 2012

ASHOK M. MEHTA
Chairman & Managing Director

Details of Directors seeking appointment/ re-appointment in forthcoming Annual General Meeting
(In pursuance of Clause 49 of the listing Agreements)

Name	Shri Yash A. Mehta
Age	28 years
Date of Appointment	30/07/2004
Expertise in specific functional areas	Management, Marketing and Software
Qualifications	BSC with Computer Science
List of Limited Companies in which outside Directorship held	Nil

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

Items No. 5

Shri Ashok M. Mehta was appointed as Managing Director of the Company for a period of 3 years w.e.f 1st day of November, 2009 to 31st October, 2012. The Board of Directors in its Meeting held on 31st August, 2012 have decided to re- appoint Shri Ashok M. Mehta as Managing Director for a further period of three years w.e.f. 1st November, 2012 on expiry of his term on 31st October, 2012 at a remuneration not exceeding Rs.2,50,000/- per month (inclusive of perquisites and benefits as per details given in the text of the Resolution) . Shri Ashok. M. Mehta will be paid basic salary of Rs.1,50,000/- per month with other benefits and perquisites. The re-appointment of Shri Ashok M. Mehta is subject to approval of the Members of the Company.

The information as required in Schedule XIII Part II Section II (B) is as under:

1. Payment of basic salary at the rate of Rs. 1,50,000/- per month plus benefits and perquisites (the exempted perquisites as per Para 2 of Section II (B) shall not be considered while evaluating the monetary benefits of the Perquisites). The total amount of managerial remuneration including perquisites and benefits shall however not exceed Rs.2,50,000/- per month. The remuneration and tenure of Shri Ashok M. Mehta as Managing Director has been recommended by the remuneration committee by way of Resolution to the Board of Directors of the Company.
- 2 The Company has not made any default in repayment of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding Financial Year before the date of appointment of Shri Ashok M. Mehta as Managing Director. The Company has not accepted any deposits nor issued any debentures.

I. General Information

a) Nature of Industry

The Company is engaged in manufacturing and trading of steel and allied products and executes orders on job work basis for decoiling, straightening, sheering and cutting of various sizes of iron and steel coils which are used by steel, automobile and other industries.

b) Date of commencement of commercial production

The Company commenced commercial production in the year 1996.

c) **Financial performance of the Company**

The day to day management of the affairs of the Company are being looked after by Shri Ashok M. Mehta, Managing Director and Shri Yash A. Mehta, Executive Director-Marketing. The financial performance of the Company is as under:

Financial Performance:

	(Rs. In Lacs)	
	31st March, 2012	31st March, 2011
Operating Income (from Job Work)	461.25	590.81
Other Income	51.78	52.95
Profit (Loss) before Depreciation	313.22	378.98
Less : Depreciation	28.98	28.20
Profit/ (Loss) after Depreciation	284.24	350.78
Less : Provision for Tax	99.77	120.12
Less: Deffered Tax	(4.26)	(3.36)
Less : Excess Provision for Tax PY	1.35	—
Profit/ (Loss) after Tax	187.39	234.01
Add :Amount brought forward from Previous Year	160.88	134.54
Amount available for appropriation	348.27	368.56
<u>Appropriations</u>		
Interim Dividend paid	-	82.30
Proposed Dividend	82.30	54.86
Dividend Distribution Tax	13.99	22.78
Transfer to Reserves	9.37	35.08
Prior Period Items	(2.69)	12.65
Balance carried to Balance Sheet (Profit/ (Loss) Account)	245.31	160.88

II. Information about the Appointee

(i) Back ground details

Shri Ashok M. Mehta has rich experience in trading and manufacturing of steel and allied products. During his tenure the Company have registered significant growth.

(ii) Past remuneration

Shri Ashok M. Mehta was appointed as Managing Director of the Company for a period of 3 years w.e.f. 1st November, 2009 to 31st October, 2012 at a salary of Rs. 1,50,000/- per month plus perquisites and benefits. Shri Ashok M. Mehta has been instrumental in turnaround of the Company. The Company has further diversified its business which will entail higher responsibilities on Shri Ashok M. Mehta.

(iii) Recognition or awards.

During his tenure as Managing Director, the Company has not received any award.

(iv) Job Profile and his suitability

As a Managing Director, Shri Ashok M. Mehta will be responsible for management of the day to day affairs of the Company and will be discharging his responsibilities under overall control, guidance and supervision of the Board of Directors of the Company. Shri Ashok. M. Mehta possesses wide and rich experience and is best suited for steering the growth of the Company.

(v) Remuneration proposed

The managerial remuneration of Shri Ashok M. Mehta will be basic salary at the rate of Rs.1,50,000/- per month plus benefits and perquisites (the exempted perquisites as per Para 2 of Section II (B) shall not be considered while evaluating the monetary benefits of the Perquisites). The total amount of managerial remuneration including perquisites and benefits shall however not exceed Rs.2,50,000/- per month.

(vi) Comparative Remuneration profile with respect to Industry, size of the Company etc.,

The Steel Industry comprises of organised sectors with pre-dominance of widely scattered producers in un-organised sector. Hence the comparative remuneration figures are not available.