

# RIDDHI STEEL & TUBE LIMITED

## ANNUAL REPORT

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**The Board of Directors:**

Rajesh Mittal	Managing Director
Preeti Mittal	Director
Paras Shah	Director
Saurin Shah	Director
Shankar Bhagat	Director

**Management Team:**

Rajesh Mittal  
**Managing Director**

Preeti Mittal  
**Director**

Paras Shah  
**Director**

Saurin Shah  
**Director**

Shankar Bhagat  
**Director**

**Auditors:**

M/s. C. P. Shah & Co.  
Chartered Accountants  
Ahmedabad

**Bankers:**

Canara Bank  
Prime Corporate Branch, Ahmedabad.

**Registered / Corporate Office/Factory:**

83/84, Village Kamod,  
Pipaj – Pirana Road,  
Post Aslali,  
Ahmedabad – 382 427,  
Gujarat, India.

**CIN: U27106GJ2001PLC039978**

# NOTICE

Notice is hereby given that the **Fifteenth** Annual General Meeting of the members of **RIDDHI STEEL & TUBE LIMITED** will be held on **Friday 30<sup>th</sup> day of September, 2016** 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 the Audited Balance Sheet as on 31<sup>st</sup> March, 2016, Audited Cash Flow Statement and the Audited Statement of Profit and Loss for the year ended on that date together with the Directors' and Independent Auditors' Reports thereon.
2. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ORDINARY RESOLUTION:

Re-Appoint 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 re-appointment.

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 provision of The Companies Act, 2013 and the rules made thereunder, as amended from time to time, pursuant to recommendations of the board of directors, and pursuant to resolution passed by members at the AGM held on September 30, 2015, The Appointment of M/s. C.P. Shah & Co., Chartered Accountants (FRN: 109526W) as the auditors of the company to hold the office till conclusion of Sixteenth AGM be and hereby ratified and the Board of Directors be and hereby authorized to fix the remuneration payable to them for the financial year ending March 31,2017.”

## Note:

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself /herself and a proxy need not be a member of the company. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.

## Registered Office :

Plot No.140/1,Village Piplaj,  
Saijpurgopalpur, Pirana Road,  
Ahmedabad – 382 405,  
Gujarat, India.

## By order of the Board of Directors

Sd/-  
Rajesh Mittal  
Director

Sd/-  
Preeti Mittal  
Director

**Date : 01<sup>st</sup> September,2016**

**RIDDHI STEEL & TUBE LIMITED**  
**DIRECTOR'S REPORT**

To,  
The Members,

Your Directors are pleased to present the **Fifteenth** Annual Report together with the Audited Annual Accounts of the Company for the year ended **31<sup>st</sup> March, 2016**.

**FINANCIAL RESULTS:**

	<b>2015-2016</b>	<b>2014-2015</b>
Profit/(Loss) Before Depreciation and Tax	6,91,75,690	6,84,95,683
Less : Depreciation	(2,89,85,091)	(3,08,16,468)
Add : Prior Period Item	-	-
Profit for the year before taxation	4,01,90,599	3,76,79,215
Less: Provision for Taxation:		
i. Current Year Tax	1,25,70,000	1,17,30,341
ii. Deferred Tax	11,98,795	6,30,421
iii. Prior Period Tax	(1,82,719)	Nil
<b>Profit after taxation</b>	<b>2,66,04,522</b>	<b>2,53,18,454</b>
Add: Brought forward balance of Profit & loss A/c.	12,55,72,919	10,04,30,786
Less: Depreciation in respect of assets whose useful life is over	-	2,53,516
Add: DTA on Depreciation charged to retained earnings	-	77,196
<b>Balance Carried to Balance Sheet</b>	<b>15,21,77,441</b>	<b>12,55,72,919</b>

**REVIEW OF OPERATIONS:**

During the year under review, the revenue from operations is Rs. 235,20,74,722 (previous year Rs. 233,89,07,076.) The Profit before depreciation and tax has increased to Rs. 6,91,75,690 from Rs. 6,84,95,683. The net profit after tax has increased to Rs. 2,66,04,522 from Rs. 2,53,18,454. At the end of the year, Company's reserves stood at Rs. 16,56,77,441 (Previous Year Rs. 13,90,72,919).

**DIVIDEND:**

The directors of the company do not recommend any amount of dividend to be declared for the financial year 2015-2016, as Company is in process of business development.

**SHARE CAPITAL:**

The Paid up equity Capital as on March 31, 2016 was Rs. 5,95,02,520. During the year under review, the Company had not issued any class of Equity Shares. Moreover the Company had not issued any shares with differential voting rights nor granted stock options nor sweat equity.

**TRANSFER TO RESERVES:**

Your Company has not transferred any amount to Reserves during the year under consideration.

**PARTICULARS OF EMPOLYEES:**

There are no employees of the Company who were in receipt of remuneration in excess of the limit as prescribed under Section to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

**CAPITAL EXPENDITURE:**

During the year under review, the Company has incurred **Rs.4,29,18,255** as Capital Expenditure for acquisition of various fixed assets.

**AUDITORS AND THEIR REPORT:**

At the Annual General Meeting held on 30<sup>th</sup> September, 2015 M/s. C.P. Shah & Co. (Chartered Accountants) were appointed as Statutory Auditors of the company to hold office till the Sixteenth Annual General Meeting. In terms of first proviso to section 139 of the Companies Act, 2013, the appointment of auditors shall be placed for ratification at every Annual General Meeting. Accordingly the appointment of M/s. C.P. Shah & Co., Chartered Accountants, as statutory auditors of the company, is placed for ratification by the shareholders.

The Auditors' Report does not contain any qualification, reservation or adverse remarks. The Auditors report is enclosed with the financial statements in this annual report.

**“DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013”:**

“The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2015-16

No of complaints received: **NIL**

No of complaints disposed off: **NIL”**

**INSURANCE:**

The Company has taken adequate insurance cover for all movable and immovable assets for various types of risks.

**NOTE ON ACCOUNTS:**

The notes forming part of the accounts are Self-explanatory and therefore, do not call for any further comments.

**CONVERSION FROM PRIVATE LIMITED TO PUBLIC LIMITED COMPANY:**

After the end of financial year the Company was converted from Private Limited to Public Limited Company W.E.F **01<sup>st</sup> February, 2016**. Accordingly, the name of the Company was changed from Riddhi Steel and Tube Private Limited to Steel and Tube Limited to reflect the status of the Company as Public Limited Company.

## **COMPLIANCE UNDER COMPANIES ACT, 2013:**

Pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, your Company complied with the compliance requirements and the detail of compliances under Companies Act, 2013 are enumerated below:

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the **Annexure-A** to the director's report.

### **EXTRACT OF ANNUAL RETURN:**

In accordance with the Section 134(3)(a) of The companies Act, 2013 an extract of the annual return in the prescribed is appended as **Annexure-B** to the director's report.

### **BOARD MEETINGS HELD DURING THE YEAR:**

The Board of Directors duly met 12 times during the financial year from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016.

The intervening gaps between the meetings were within the purview of the Companies Act, 2013 and the rules made there under.

### **DIRECTORS AND KEY MANAGERIAL PERSONNELS:**

During the period under consideration following appointments were affected.

<b>DIN/PAN</b>	<b>Name</b>	<b>Designation</b>	<b>Appointment Date</b>
<a href="#">00878934</a>	RAJESHKUMAR MITTAL	Managing Director	22/03/2013
<a href="#">01594555</a>	PREETI RAJESH MITTAL	Executive Director	08/01/2016
<a href="#">01359807</a>	SHANKAR PRASAD BHAGAT	Independent Director	19/03/2016
<a href="#">07438621</a>	PARAS KUMARPAL SHAH	Independent Director	16/02/2016
<a href="#">07438637</a>	SAURIN SHAILESH SHAH	Independent Director	16/02/2016

### **CORPORATE SOCIAL RESPONSIBILITY:**

Your directors wants to draw your attention that provision in relation to corporate social responsibility as specified in section 135 of The Companies Act, 2013 and rules (Corporate Social Responsibility Policy) Rules 2014 are not applicable to the company.

### **VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company does not have vigil mechanism or whistle blower policy implemented by it as the company is not under obligation for the same under The Companies Act, 2013.

### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3)(c) r.w.s 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- a) In the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors have selected such accounting policies and applied them consistently and made 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 of the company for the same period.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.
- e) The directors have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

#### **PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements provided in the annual report.

#### **RELATED PARTY TRANSACTION:**

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in **Note No. 21.5** of Financial Statements, forming part of the Annual Report.

Particulars of contracts or arrangements with related parties referred to in section 188(1) of the companies Act, 2013, in the prescribed form AOC - 2, is appended as **Annexure C** to the director's report.

All related party transactions are negotiated on an arm's length basis, and are intended to further the Company's interests.

#### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF REPORT:**

There have been no material changes and commitments affecting the financial position of the Company has occurred between the end of the financial year to which this financial statements relate and the date of this report.

#### **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:**

In today's economic environment, Risk Management is a very important part of business. The main aim of risk management is to identify, monitor and take precautionary measures in respect of the events that may pose risks for the business. Company's risk management is embedded in the business processes and thereby reduces the risk to its possible extent.

## **FIXED DEPOSITS:**

The company has not accepted deposits from the shareholders during the year ended 31<sup>st</sup> March 2016 within the meaning of sec 73 of the companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## **ORDERS BY REGULATORS, COURTS OR TRIBUNALS:**

No significant and/or material orders were passed by any regulator or court or tribunal impacting the going concern status and the Company's operations in future.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Given the nature of business and size of operations, Your Company's internal financial Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.
- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

Your Company, through its own Internal Audit Department, carried out periodic audits at all locations and functions based on the plan approved by the board and brought out any deviation to Internal Control procedures. The observations arising out of the audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of implementation are submitted to the board. The status of implementation of the recommendations is reviewed by the board on a regular basis.

## **INDUSTRIAL RELATIONS:**

Relations with the company's employees continue to be cordial. The company has a good track record of harmonious relations with employees and all stake holders.

## **ACKNOWLEDGEMENTS:**

Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors are also thankful for the co-operation and assistance received from the Bankers, Central and State Government Departments and Local Authorities.

### **Registered Office :**

Plot No.140/1,Village Piplaj,  
Saijpurgopalpur, Pirana Road,  
Ahmedabad – 382 405,  
Gujarat, India.

### **By order of the Board of Directors**

Sd/-  
Rajesh Mittal  
Director

Sd/-  
Preeti Mittal  
Director

**Date : 01<sup>st</sup> September,2016**



**DIRECTOR REPORT'S ANNEXURE- A**  
[Particulars pursuant to Companies (Accounts) Rules,2014]

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC.**

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder.

**A. Conservation of Energy:**

Energy conservation continuous to receive priority attention at all levels. All efforts are made to conserve and optimize use of energy with continuous monitoring, improvement in maintenance and distribution systems and through improved operational techniques.

Company has not made any capital investment on energy conservation equipments during the financial year.

**B. Technology Absorption:**

No new technology is absorbed by the company as company is equipped in well manner with all the required technologies and machineries that it requires in order to have smooth functioning of business operations.

**C. Research and development (R & D) :**

The company is carrying out research in the field of its business so as to grab the available opportunities of business expansion and thereby enhance the profitability and market share.

- **Expenditure on R & D :**

The company has not incurred any expenditure on Research and Development during the Financial Year.

**D. Foreign Exchange Earning and Outgo :**

Foreign Exchange earned and spent by the Company during the year amounts to Nil and Nil respectively.

## DIRECTOR REPORT'S ANNEXURE- B

### EXTRACT OF ANNUAL RETURN FORM MGT 9

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company  
(Management & Administration) Rules, 2014]  
**Financial Year ended on 31.03.2016**

#### I. REGISTRATION & OTHER DETAILS :

i	CIN	:	U27106GJ2001PLC039978
ii	Registration Date	:	07/09/2001
iii	Name of the Company	:	RIDDHI STEEL AND TUBE LIMITED
iv	Category/Sub-category of the Company	:	Company Limited by Shares
v	Address of the Registered office & contact details	:	83,84, Village – Kamod, Piplaj - Pirana Road, Post – Aslali, Ahmedabad – 382 427, Gujarat, India.
vi	Whether listed company	:	NO
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	:	N.A

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sl No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Manufacture of tubes, pipes and hollow profiles and of tube or pipe fittings of cast-iron/ cast-steel	24311	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES: N.A

#### IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

##### (a) Category-Wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total Shares	
A. Promoters & Promoter's Group									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual	-	44,74,630	44,74,630	75.20 %	-	56,88,632	56,88,632	95.60%	-
b) Central Govt.or State	-	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-	-
e) Any other	-	14,75,622	14,75,622	24.80 %	-	2,61,620	2,61,620	4.40%	-
SUB TOTAL:(A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	59,50,252	59,50,252	100.00%	-	59,50,252	59,50,252	100.00%	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total Shares	
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds		-	-	-	-	-	-	-	-
b) Banks/FI		-	-	-	-	-	-	-	-
c) Central govt		-	-	-	-	-	-	-	-
d) State Govt.		-	-	-	-	-	-	-	-
e) Venture Capital Fund		-	-	-	-	-	-	-	-
f) Insurance Companies		-	-	-	-	-	-	-	-
g) FIIS		-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i) Others (specify)		-	-	-	-	-	-	-	-
SUB TOTAL (B)(1):		-	-	-	-	-	-	-	-
(2) Non Institutions		-	-	-	-	-	-	-	-
a) Bodies corporate		-	-	-	-	-	-	-	-
b) Individuals		-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital		-	-	-	-	-	-	-	-
ii) Individuals shareholders holding nominal share capital		-	-	-	-	-	-	-	-
c) Any Other (specify) NRIs		-	-	-	-	-	-	-	-
d) Foreign Bodies		-	-	-	-	-	-	-	-
SUB TOTAL (B)(2):		-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)		-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs		-	-	-	-	-	-	-	-

Grand Total (A+B+C)		59,50,252	59,50,252	100.00%	-	59,50,252	59,50,252	100.00%	-
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**(b) SHAREHOLDING OF PROMOTERS**

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total Shares of the company	% of shares Pledged encumbered to total shares	
1	Rajesh Mittal	11,850	0.20%	-	4,29,350	7.22%	-	7.02%
2	Rajesh Mittal HUF	4,86,502	8.18%	-	5,46,502	9.18%	-	1.00%
3	Rajat Mittal	11,36,838	19.11%	-	14,14,538	23.77%	-	4.66%
4	Riddhi Mittal	52,141	0.88%	-	3,41,238	5.73%	-	4.85%
5	Preeti Mittal	28,82,204	48.44%	-	29,57,004	49.70%	-	1.26%
6	Indravati R. Mittal	2,29,097	3.85%	-	Nil	Nil	-	-3.85%
	Total	47,98,632	80.65%	-	56,88,632	95.60%	-	14.95%

**(c) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE):** As above

**(d) Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters & Holders of GDRs & ADRs):**

Sl. No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
/					

1	N.A	-	-	-	-
<b>TOTAL</b>		-	-	-	-

**(e) SHAREHOLDING OF DIRECTORS& KEY MANAGERIAL PERSONNEL:**

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shareholding of Directors :				
	Mr. Rajesh R. Mittal				
	At the beginning of the year	11,850	0.20 %	11,850	0.20 %
	At the end of the year	4,29,350	7.22 %	4,29,350	7.22 %
2	Mrs. Preeti R. Mittal				
	At the beginning of the year	28,82,204	48.44 %	28,82,204	48.44 %
	At the end of the year	29,57,004	49.70 %	29,57,004	49.70 %

**V. INDEBTEDNESS :**

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits (shareholder + Director)	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	465878572	282533137	-	748411709
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>465878572</b>	<b>282533137</b>	<b>-</b>	<b>748411709</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	64667753	188453985	-	253121738
• Reduction	(61053894)	(128697676)	-	(189751570)
<b>Net Change</b>	<b>3613859</b>	<b>59756309</b>	<b>-</b>	<b>63370168</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	469492431	342289446	-	811781877
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>469492431</b>	<b>342289446</b>	<b>-</b>	<b>811781877</b>

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Rajesh R. Mittal	Shivshankar Agrawal	Rajat R Mittal	Naresh Walia	Preeti R. Mittal	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,00,000	6,00,000	2,00,000	3,85,000	1,22,885	19,07,885
	(b) Value of perquisites u/s 17(2) of Income Tax Act						
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961						
2	Stock Option	-				-	-
3	Sweat Equity	-				-	-
4	Commission- as % of profit	-				-	-



	- others, specify						
5	Others, please specify	-				-	-
	<b>Total (A)</b>	6,00,000	6,00,000	2,00,000	3,85,000	1,22,885	19,07,885

**B) Remuneration to other directors:**

No Remuneration is paid to other directors.

**C) Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD:**

No Remuneration is paid to Key Managerial Personnel Other Than MD/Manager/WTD.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

There were no penalties/Punishment/Compounding of offences for the year ending March 31, 2016.

## DIRECTOR REPORT'S ANNEXURE- C

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

This Form pertains to disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

#### 1. Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended on 31<sup>st</sup> March, 2016, which were not at arm's length basis.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name of related Party	Nature of Contract	Nature of relationship	Duration of Contract	Salient Terms	Amount Paid as advance.
1	Rajesh R. Mittal	Unsecured Loan & Remuneration	Director	Not Applicable	Not Applicable	Not Applicable
2	Preeti R. Mittal	Unsecured Loan & Remuneration	Director	Not Applicable	Not Applicable	Not Applicable
3	ShivShankar Agrawal	Remuneration	Director	Not Applicable	Not Applicable	Not Applicable

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RIDDHI STEEL & TUBE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **RIDDHI STEEL & TUBE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We have conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its Profits and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

- i. As required by the Companies (Auditor's Report) Order, 2016 ("The Order") issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, We give in the Annexure - A a statement on the matters specified in the paragraph 3 and 4 of the order to the extent possible.
- ii. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in **Annexure - B**; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has no pending litigations which can impact its financial position.
    - ii. The company has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts.
    - iii. The company is not require to transfer any amount to the Investor Education and Protection Fund.

**Ahmedabad**  
**27<sup>th</sup> August, 2016**

**For, C.P. Shah & Co.**  
**Chartered Accountants**

**Sd/-**  
**Chetan P. Shah**  
**Proprietor**  
**M.No. 031239**

**“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RIDDHI STEEL AND TUBE LIMITED**

**Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016:**

**1. In respect of its Fixed Assets:**

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.

**2. In respect of its Inventories:**

- (a) The management has conducted the physical verification of inventory at reasonable intervals.
- (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

**3.** The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

**4.** In our opinion and according to the information and explanations given to us, the company has neither granted loans nor has made investments nor has executed guarantee and thus company does not require compliance with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security. Accordingly, the provisions of clause 3 (iv) of the Order are not applicable to the Company and hence not commented upon.

**5.** The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable

**6.** With reference to the compulsory cost records to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the

Central Government of India under section 148 of the Companies Act, 2013, the Company has complied with the same; however we have not made a detailed examination of the records.

**7. In respect of Statutory Dues:**

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount is payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess, etc., for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
  - 9.** Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
  - 10.** Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
  - 11.** Based upon the audit procedures performed and the information and explanations given by the management, the remuneration paid is within the limits laid down under section 197 read with schedule V of the companies Act, 2013. Accordingly, the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
  - 12.** In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
  - 13.** In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
  - 14.** Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For, C.P. Shah & Co.  
Chartered Accountants**

**Ahmedabad  
27<sup>th</sup> August,2016**

**Sd/-  
Chetan P. Shah  
Proprietor  
M.No. 031239**

**“ANNEXURE - B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF RIDDHI STEEL AND TUBE LIMITED**

**REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 (“THE ACT”)**

We have audited the internal financial controls over financial reporting of **RIDDHI STEEL AND TUBE LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls:**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide



reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, C.P. Shah & Co.  
Chartered Accountants**

**Ahmedabad  
27<sup>th</sup> August,2016**

**Sd/-  
Chetan P. Shah  
Proprietor  
M.No. 031239**

**RIDDHI STEEL & TUBE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Note	As at 31.03.2016		As at 31.03.2015	
		Rupees	Rupees	Rupees	Rupees
<b><u>I EQUITY AND LIABILITIES</u></b>					
<b>(1) Shareholders' Funds</b>					
(a) Share Capital	1	5,95,02,520		5,95,02,520	
(b) Reserves & Surplus	2	16,56,77,441	22,51,79,961	13,90,72,919	19,85,75,439
<b>(2) Share Application Money Pending Allotment</b>					
		-	-	-	-
<b>(3) Non-Current Liabilities</b>					
(a) Long-Term Borrowings	3	38,85,75,972		35,49,22,040	
(b) Deferred Tax Liabilities (Net)		1,06,29,791	39,92,05,763	94,30,996	36,43,53,036
<b>(4) Current Liabilities</b>					
(a) Short-Term Borrowings	4	42,32,05,905		39,34,89,669	
(b) Trade Payables	5	4,09,13,535		3,79,04,114	
(c) Other Current Liabilities	6	1,74,10,860		1,11,31,888	
(d) Short-Term Provisions	7	1,67,94,098	49,83,24,398	1,36,89,536	45,62,15,207
			<b>1,12,27,10,123</b>		<b>1,01,91,43,682</b>
<b><u>II ASSETS</u></b>					
<b>(1) Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	8	21,57,06,002		19,00,01,475	
(ii) Intangible Assets					
(iii) Capital Work In Progress	8(A)	4,09,65,379	25,66,71,381	5,27,36,742	24,27,38,217
<b>(2) Current Assets</b>					

(a) Inventories	9	30,44,42,758		22,25,75,739	
(b) Trade Receivables	10	43,63,23,511		33,56,92,863	
(c) Cash and Cash Equivalents	11	47,80,350		2,56,65,156	
(d) Short-Term Loans and Advances	12	12,04,92,123	86,60,38,742	19,24,71,708	77,64,05,465
			<b>1,12,27,10,123</b>		<b>1,01,91,43,682</b>

Summary of Significant Accounting Policies 20

Additional Notes to Financial Statement 21

As per our report of even date attached

**For and on behalf of the Board**

**For, C. P. Shah & Co.**

**Chartered Accountants**

**Firm Registration No : 109526W**

**Sd/-**  
**Chetan P. Shah**  
**Membership No.: 031239**  
**Place: Ahmedabad**  
**Date: 27/08/2016**

**Sd/-**  
**Rajesh R Mittal**  
**Director**  
**Place: Ahmedabad**  
**Date: 27/08/2016**

**Sd/-**  
**Preeti R Mittal**  
**Director**  
**Place: Ahmedabad**  
**Date: 27/08/2016**

**RIDDHI STEEL & TUBE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31 2016**

Particulars	Note	For the year ended 31st March , 2016		For the year ended 31st March , 2015	
		Rupees	Rupees	Rupees	Rupees
<b><u>(I) REVENUE</u></b>					
Revenue from Operations	13	2,35,20,74,722		2,33,89,07,076	
Other Income	14	1,57,20,579		1,07,68,787	
<b>(II) Total Revenue</b>			2,36,77,95,301		2,34,96,75,863
<b><u>(III) EXPENSES</u></b>					
Cost Of Material Consumed	15	2,08,26,63,634		2,08,15,34,457	
(Increase) / Decrease in Stock	16	(44,54,663)		(1,08,58,717)	
Employee Benefits Expense	17	50,17,391		51,65,544	
Financial Charges	18	10,89,81,146		8,75,55,157	
Administrative and Selling Expenses	19	10,64,12,103		11,77,83,739	
Depreciation and Amortisation expense	8	2,89,85,091		3,08,16,468	
<b>(IV) Total Expenses</b>			2,32,76,04,702		2,31,19,96,648
<b>(V) Prior Period Items</b>			-		
<b>(VI) Profit / (Loss) Before Exceptional items and Tax (II-IV)</b>			4,01,90,599		3,76,79,215
<b>(VII) Exceptional items</b>			-		-
<b>(VIII) Profit/(Loss) before Taxes - PBT (VI-VII)</b>			4,01,90,599		3,76,79,215

<b>(IX) Tax Expense:</b>				
Current tax		1,25,70,000		1,17,30,341
Deferred tax		11,98,795		6,30,421
Prior Income Tax		(1,82,719)		-
			1,35,86,076	1,23,60,762
<b>(X) Profit/(Loss) for the period after tax</b>			<b>2,66,04,522</b>	<b>2,53,18,453</b>
<b>(XI) Earnings per share</b>				
- Basic EPS			<b>4.47</b>	<b>4.26</b>
- Diluted EPS			<b>4.47</b>	<b>4.26</b>
- Nominal value of shares			<b>10.00</b>	<b>10.00</b>

As per our report of even date attached

**For, C. P. Shah & Co.**

**Chartered Accountants**

**Firm Registration No : 109526W**

**For and on behalf of the Board**

Sd/-

**Chetan P. Shah**

**Membership No.: 031239**

**Place: Ahmedabad**

**Date: 27/08/2016**

Sd/-

**Rajesh R Mittal**

**Director**

**Place: Ahmedabad**

**Date: 27/08/2016**

Sd/-

**Preeti R Mittal**

**Director**

**Place: Ahmedabad**

**Date: 27/08/2016**

**NOTE NO. 01 - SHARE CAPITAL**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Rupees	Rupees	Rupees	Rupees
<b>Authorised Shares</b>				
85,00,000 Equity Shares of Rs.10/- each	8,50,00,000	8,50,00,000	7,00,00,000	7,00,00,000
<b>Issued, Subscribed and Paid up shares</b>				
59,50,252 Equity Shares of Rs.10/- each fully paid up	5,95,02,520	5,95,02,520	5,95,02,520	5,95,02,520
		<b>5,95,02,520</b>		<b>5,95,02,520</b>

**a. Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period:**

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of Shares	Rupees	No of Shares	Rupees
<b>Equity Shares:</b>				
At the beginning of the period	59,50,252	5,95,02,520	59,50,252	5,95,02,520
Shares Issued during the year as fully paid	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>59,50,252</b>	<b>5,95,02,520</b>	<b>59,50,252</b>	<b>5,95,02,520</b>

**b. Details of Shareholders holding more than 5% shares in the company:**

Particulars	As at 31.03.2016		As at 31.03.2015	
	No of Shares	%	No of Shares	%
<b>Equity Shares of Rs.10/- each fully paid</b>				

Mr. Rajesh R Mittal HUF	5,46,502	9.18%	4,86,502	8.18%
Smt. Preeti R. Mittal	29,57,094	49.70%	28,82,204	48.44%
Mr. Rajat R Mittal	14,14,538	23.77%	11,36,838	19.11%
Mr. Rajesh R Mittal	4,29,350	7.22%	11,850	0.20%
Ms.Riddhi R .Mittal	3,41,238	5.73%	52,141	0.88%

**NOTE NO. 02 - RESERVES & SURPLUS**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Rupees	Rupees	Rupees	Rupees
<b>Share Premium</b>				
Balance as per the last financial statement	1,35,00,000		1,35,00,000	
<b>Add:</b> Amount transferred to share premium account	-		-	
<b>Less:</b> Amount transferred From share premium account	-		-	
<b>Closing Balance</b>		1,35,00,000		1,35,00,000
<b>Surplus / (deficit) in the Statement of Profit and Loss</b>				
Balance as per the last financial statement	12,55,72,919		10,04,30,786	
<b>Add:</b> Profit for the period	2,66,04,522		2,53,18,454	
<b>Less:</b> Depreciation in respect of Assets whose useful life is over	-		(2,53,516)	
<b>Add:</b> DTA in respect of Assets whose useful life is over	-		77,196	
	-		-	
<b>Closing Balance</b>		15,21,77,441		12,55,72,919

<b>Total of Reserves and Surplus</b>			
		<b>16,56,77,441</b>	<b>13,90,72,919</b>

**NOTE NO. 03 - LONG TERM BORROWINGS**

<b>Particulars</b>	<b>As at 31.03.2016</b>		<b>As at 31.03.2015</b>	
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Secured Loan:</b>				
From Canara Bank Term Loan Account -1	3,85,31,364		3,97,50,005	
From Kotak Mahindra Prime Ltd	77,55,162		-	
From Canara Bank Term Loan Account -2 (Secured against Movable And Immovable Property & Personal guarantee of Promoters.)	-	4,62,86,526	3,26,38,898	7,23,88,903
<b>Unsecured Loan:</b>				
From Directors	1,59,56,538		1,16,72,501	
From Shareholders, Relative & Others	32,63,32,908	34,22,89,446	27,08,60,636	28,25,33,137
		<b>38,85,75,972</b>		<b>35,49,22,040</b>

**NOTE NO. 04 - SHORT TERM BORROWINGS**

<b>Particulars</b>	<b>As at 31.03.2016</b>		<b>As at 31.03.2015</b>	
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
<b>Secured Loan:</b>				
From Canara Bank Cash Credit A/C (Secured against Movable And Immovable Property & Personal guarantee of Promoters.)	42,32,05,905		28,56,75,350	



From Canbank Factors	-		1,78,15,000	
From Canara Bank LC A/C	-		8,99,99,319	
		<b>42,32,05,905</b>		<b>39,34,89,669</b>

**NOTE NO. 05 - TRADE PAYABLES**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Rupees	Rupees	Rupees	Rupees
Creditors For Goods & Expenses	1,56,10,387		1,15,58,192	
Creditors For Capital Goods	2,53,03,148	4,09,13,535	2,63,45,922	3,79,04,114
		<b>4,09,13,535</b>		<b>3,79,04,114</b>

**NOTE NO. 06 - OTHER CURRENT LIABLITIES**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Rupees	Rupees	Rupees	Rupees
Advance From Customers	74,50,744		34,03,655	
Statutory Liabilities	95,80,822		77,25,553	
Other Liabilities	3,79,294	1,74,10,860	2,680	1,11,31,888
		<b>1,74,10,860</b>		<b>1,11,31,888</b>

**NOTE NO. 07 - SHORT TERM PROVISIONS**

Particulars	As at 31.03.2016		As at 31.03.2015	
	Rupees	Rupees	Rupees	Rupees

Provision For Income Tax	1,25,70,000		1,17,30,341	
Unpaid Electricity Bill	34,71,918		17,13,836	
Unpaid Salary	7,52,180	1,67,94,098	2,45,359	1,36,89,536
		<b>1,67,94,098</b>		<b>1,36,89,536</b>

**RIDDHI STEEL & TUBE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**RIDDHI STEEL & TUBE LIMITED**  
**NOTE NO. 08 : TANGIBLE ASSETS:**

Sr. No	Particulars	Rate	Cost				Depreciation				Net Book Value	
			As at 01.04.2015	Additions	Deletions	As at 31.03.2016	Up to 31.03.2015	For the year	Depreciation in respect of Assets whose useful life is over	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	Factory Building	10.00 %	5,89,07,850	99,24,341		6,88,32,191	2,24,63,781	41,05,828	-	2,65,69,609	4,22,62,582	3,64,44,069
2	Furnitures & Fixtures	18.10 %	7,97,298	-		7,97,298	6,42,611	46,959	-	6,89,570	1,07,728	1,54,687
3	Plants & Machineries	13.91 %	23,61,21,992	3,49,22,75		27,10,44,74	9,55,03,56	2,13,25,055	-	11,68,28,61	15,42,16,13	14,06,18,43

				4		6	0			5	1	2
4	Cooling Set	13.91 %	1,71,000	-		1,71,000	86,097	11,801	-	97,898	73,102	84,903
5	Office Equipments	13.91 %	6,06,778	89,305		6,96,083	4,98,329	61,482	-	5,59,811	1,36,272	1,08,449
6	Electrical Fittings	13.91 %	97,00,593	-		97,00,593	64,66,070	9,69,480	-	74,35,550	22,65,043	32,34,523
7	Computer & Peripherals	40.00 %	9,09,092	39,994		9,49,086	7,49,488	1,05,050	-	8,54,538	94,548	1,59,604
8	Motor Cars	25.89 %	1,06,01,149	96,88,224		2,02,89,373	85,01,211	13,10,498	-	98,11,709	1,04,77,664	20,99,938
9	Air Conditioners	13.91 %	4,70,230	25,000		4,95,230	3,61,763	50,924	-	4,12,687	82,543	1,08,467
10	Scooter	25.89 %	3,91,306	-		3,91,306	2,53,865	35,403	-	2,89,268	1,02,038	1,37,441
11	Crane	13.91 %	96,64,918			96,64,918	44,47,511	7,25,219	-	51,72,730	44,92,188	52,17,407
12	Roll Set	13.91 %	32,65,279			32,65,279	16,31,724	2,37,392	-	18,69,116	13,96,163	16,33,555
	<b>TOTAL</b>		<b>33,16,07,485</b>	<b>5,46,89,618</b>	<b>-</b>	<b>38,62,97,103</b>		<b>2,89,85,091</b>	<b>-</b>	<b>17,05,91,101</b>	<b>21,57,06,002</b>	<b>190001475</b>

**NOTE NO. 08(A) : CAPITAL WORK IN PROGRESS:**

Sr. No	Particulars	Rate	Cost			Depreciation				Net Book Value		
			As at 01.04.2015	Additions	Deletions	As at 31.03.2016	Up to 31.03.2015	For the year	Deductions	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
1	Factory Building	N.A.	62,15,586	3,38,282	35,12,485	3041383					3041383	62,15,586
2	Plant & Machinery	N.A.	4,39,24,034	34,08,890	1,68,26,904	30506020					30506020	4,39,24,034
3	Office Building		25,97,122	48,20,854	-	7417976					7417976	25,97,122
	<b>TOTAL</b>		<b>5,27,36,742</b>	<b>85,68,026</b>	<b>2,03,39,38</b>	<b>4,09,65,379</b>					<b>4,09,65,379</b>	<b>5,27,36,742</b>

**RIDDHI STEEL & TUBE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE NO. 09 - INVENTORIES**

Particulars	As at 31.03.2016	As at 31.03.2015
	Rupees	Rupees
Raw material	17,14,50,986	9,34,36,878
Store & Spares (Including Oil Lubricants)	23,23,061	29,24,813
Semi Finished Goods	5,89,93,274	5,09,98,516
Finished Stock (Including Scrap)	7,16,75,437	7,52,15,532
	<b>30,44,42,758</b>	<b>22,25,75,739</b>

**NOTE NO. 10 - TRADE RECEIVABLES**

Particulars	As at 31.03.2016	As at 31.03.2015
	Rupees	Rupees
Sundry Debtors Exceeding Six Months	-	-
Others	43,63,23,511	33,56,92,862

43,63,23,511

33,56,92,862

**NOTE NO. 11 - CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2016	As at 31.03.2015
	Rupees	Rupees
<b>Cash on Hand:</b>		
Cash on hand	10,12,873	14,522
<b>Balances with Banks:</b>		
On Current Account With Banks:	31,16,562	12,97,957
In Fixed Deposit	6,50,915	2,43,52,677
	<b>47,80,350</b>	<b>2,56,65,156</b>

**NOTE NO. 12 - SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31.03.2016	As at 31.03.2015
	Rupees	Rupees
<b>Security Deposit</b> (Unsecured, Considered good):		
Intec Capital Limited (FDR)	-	2,35,39,717
Torrent Power	24,48,239	25,89,565
Electricity Deposits	9,90,000	9,90,000
<b>Balances With Government Authority:</b>		
TDS Receivables		15,16,850

	54,09,946	
Service Tax Receivable	4,60,872	-
Income Tax	2,24,18,990	2,24,28,990
Excise Duty	1,48,00,722	1,00,69,248
Value Added Tax Receivable	1,17,909	3,81,087
<b>Other Loans and Advances</b> (Unsecured, Considered good):		
Advances to Suppliers	81,74,627	3,94,82,247
Advances for Capital Goods	70,84,793	47,50,834
Prepaid Insurance	72,349	1,32,466
Prepaid LC Interest	-	8,97,507
Prepaid Processing Charges	32,41,230	50,40,068
Trade Discount Receivable	1,49,38,402	2,11,08,128
Loans & Advances	4,03,34,044	5,95,45,001
	<b>12,04,92,123</b>	<b>19,24,71,708</b>

**RIDDHI STEEL & TUBE LIMITED**

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE NO. 13 - REVENUE FROM OPERATION**

Particulars	2015-16	2014-15
	Rupees	Rupees
<b>Sale of Products:</b>		

Net Sales (Domestic):	2,07,45,75,041	2,04,91,32,478
<b>Add:</b>	<b>2,07,45,75,041</b>	<b>2,04,91,32,478</b>
Excise Duty	17,31,21,204	18,00,16,001
Value Added Tax/Central Sales Tax	10,43,78,477	10,97,58,597
	<b>2,35,20,74,722</b>	<b>2,33,89,07,076</b>

**NOTE NO. 14 - OTHER INCOME**

Particulars	2015-16	2014-15
	Rupees	Rupees
Interest Income	1,50,03,634	1,06,79,271
Kasar Income	43,020	43,000
Vat Refund/Margin Money Refund	6,73,925	46,516
	<b>1,57,20,579</b>	<b>1,07,68,787</b>

**NOTE NO. 15 - COST OF MATERIAL CONSUMED**

Particulars	2015-16	2014-15
	Rupees	Rupees
<b>Raw Material</b>		
Opening Stock	9,34,36,878	10,42,01,820

<b>Add:</b> Purchase	2,14,93,65,098	2,06,59,52,575
<b>Less:</b> Closing Stock	17,14,50,986	9,34,36,878
	<b>2,07,13,50,990</b>	<b>2,07,67,17,517</b>
<b>Store &amp; Tools (Including Oil &amp; Lubricants)</b>		
Opening Stock	29,24,813	27,28,312
<b>Add:</b> Purchase	1,07,10,892	50,13,441
<b>Less:</b> Closing Stock	23,23,061	29,24,813
	<b>1,13,12,644</b>	<b>48,16,940</b>
	<b>2,08,26,63,634</b>	<b>2,08,15,34,457</b>

**RIDDHI STEEL & TUBE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE NO. 16 - INCREASE/(DECREASE ) IN STOCK**

Particulars	2015-16	2014-15
	Rupees	Rupees
Opening Stocks of Semi Finished Goods	6,04,08,126	3,80,31,706
<b>Less:</b> Closing Stock of Semi Finished Goods (Including Scrap)	5,89,93,274	6,04,08,126
	<b>14,14,852</b>	<b>(2,23,76,420)</b>



Opening Stocks of Finished Goods	6,58,05,922	7,73,23,625
<b>Less:</b> Closing Stock of Finished Goods	7,16,75,437	6,58,05,922
	<b>(58,69,515)</b>	<b>1,15,17,703</b>
	<b>(44,54,663)</b>	<b>(1,08,58,717)</b>

**NOTE NO. 17 - EMPLOYEE BENEFITS EXPENSE**

Particulars	2015-16	2014-15
	Rupees	Rupees
Salary and Wages	24,75,859	28,43,620
Staff Welfare Expense	3,92,330	25,360
Contribution to PF, EPF, ESIC, Etc.	2,48,917	1,13,164
Remuneration to Directors	19,00,285	21,83,400
	<b>50,17,391</b>	<b>51,65,544</b>

**NOTE NO. 18 - FINANCIAL CHARGES**

Particulars	2015-16	2014-15
	Rupees	Rupees
<b>Interest Expenses</b>		
Interest On Term Loan	51,47,494	40,86,319
Interest On Bank OD		3,26,46,463

	3,35,15,033	
Interest On LC	90,46,507	90,10,548
Interest On Depositors & Bill Discounted And Others	5,06,73,159	3,50,91,249
<b>Other Borrowing Cost</b>		
Bank Charges, Commission and Processing Charges	64,46,725	20,97,001
ILC Charges	41,52,228	46,23,577
	<b>10,89,81,146</b>	<b>8,75,55,157</b>

**RIDDHI STEEL & TUBE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**NOTE NO. 19 - ADMINISTRATIVE AND SELLING EXPENSES**

Particulars	2015-16	2014-15
	Rupees	Rupees
Advertisement Expenses	7,04,287	99,595
Commission On Sales	7,53,430	2,17,789
Misc.Expenses	12,16,406	18,39,269
Central Sales Tax	18,12,927	9,81,529
Excise Duty	1,04,92,173	1,36,37,822
Demmorage Charges	2,21,150	3,938

Loading & Unloading Charges	15,41,584	15,91,915
Transport Charges	1,04,18,265	71,89,205
Power Consumption	2,35,84,019	2,20,47,229
Wages Charges	58,81,289	25,56,005
Interest on IT,Cst,Vat,Tds & Other	8,53,924	2,62,973
Insurance Expenses	3,03,693	4,15,026
Lease Rent	67,000	12,24,000
Legal & Professional Fees	27,42,913	21,63,196
Labour Charges	88,955	1,02,410
Licence Fees	1,37,020	1,41,460
Municipal Tax	5,52,555	4,28,072
Petrol Expenses	1,71,029	74,059
Postage & Courier Expenses	45,007	35,503
Printing & Stationary Expenses	1,47,823	1,26,188
Rating Fees	1,72,000	83,450
Repair & Maintance	12,22,884	8,08,964
Service Tax	29,44,350	1,00,186
Stamp Duty Expenses	1,87,500	3,61,200
Stamping Expenses		7,43,540

	14,82,248	
Telephone Expenses	2,23,465	1,80,989
Testing Fees	20,410	29,210
Travelling Expenses	7,99,990	6,55,928
Value Added Tax	3,76,23,807	5,96,83,089
	<b>10,64,12,103</b>	<b>11,77,83,739</b>

## **20. SIGNIFICANT ACCOUNTING POLICIES**

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### **(i). BASIS OF PREPARATION:**

These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis. Accounting Policies have been consistently applied by the company.

### **(ii). USE OF ESTIMATES:**

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statement are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

### **(iii). INVENTORY:**

Inventories are valued as under;

- a) Finished goods at cost including production overheads.
- b) Packing Materials and Work In Progress at cost.

All the duties and taxes have been considered while valuing the inventory, in accordance with provisions of section 145A of the Income Tax Act, 1961.

### **(iv). REVENUE RECOGNITION:**

In appropriate circumstances, revenue is recognized on accrual basis when no significant uncertainty as to determination or realization exists.

Sales are accounted for on gross sales including excise duty & value added Tax.

Sales are accounted on dispatch of goods from the company premises.

All the items of expenses and income are accounted on accrual basis.

### **(v). FIXED ASSETS AND DEPRECIATION:**

Tangible fixed assets are stated at cost of acquisition includes inward freight, non-refundable duties, taxes and other directly attributable incidental expenses, net of CENVAT credit and value added tax. Depreciation is provided as per the Written Down Value Method on the basis of useful life specified in the schedule II of the Companies Act, 2013.

**(vi). EMPLOYEE BENEFITS:**

**Short - Term Employee Benefits:**

**Bonus :**

The Company has provided for Bonus, payable to its employees, for their services rendered during the year, as per the Company's rules and policy, on an undiscounted basis.

**(vii). BORROWING COST:**

Borrowing Cost relating to acquisition, construction of fixed assets or production of qualifying assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to period till such assets are ready to be put to use . Other borrowing Cost are recognized as an expense in the period in which these are incurred.

**(viii). SEGMENT REPORTING:**

In terms of AS-17 on "Segment Reporting" the company neither has more than one business segment nor more than one geographical segment requiring separate disclosures as there are no more distinguishable component or economic environments of the enterprise engaged in providing individual product or service or a group of related products or services and the same are not subjected to different risks and returns either of business or geographical segments.

**(ix). EARNING PER SHARE:**

The basic earnings per Share is calculated by dividing the Net profit or loss for the year attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the year. The basic and diluted EPS are same as the company has no potential Equity shares.

**(x). TAXES ON INCOME:**

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognized, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized if there is virtual certainty that sufficient future taxable income will be available against which such assets can be realized. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed at each Balance sheet date to reassess realization. Deferred

tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**(xi). PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Assets are neither recognized nor disclosed in the financial statements.

**21. ADDITIONAL NOTES TO FINANCIAL STATEMENTS:****21.1 CONTINGENT LIABILITIES NOT PROVIDED FOR:**

There are no contingent liabilities which are not provided for.

**21.2 EARNINGS PER SHARE (EPS):**

<b>Weighted Average No. Of Equity shares. (Weighted Average is calculated on day basis)</b>	5950252
<b>Profit after tax for the year (Rs)</b>	2,66,04,523
<b>Earning per share (Rs.)</b>	4.47

**21.3** In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions for all known liabilities are adequate and not in excess of the amount reasonably necessary.

**21.4** Balances of Debtors, Creditors and Loans & Advances are subject to confirmation. Adjustments, if any, will be made at the time of reconciliation of accounts. The confirmation in respect of sundry creditors has been called for during the year.

**21.5 RELATED PARTY TRANSACTIONS:**

List of Related Party with whom transaction were effected during the year :

Sr. No.	Name	Relation
1	Rajesh R. Mittal	Key Managerial Person
2	Preeti R. Mittal	Key Managerial Person
3	Rajat R. Mittal	Relative of Key Managerial Person
4	Shivshankar M. Agrawal	Director (Retired)
5	Rajesh R. Mittal HUF	Relative of Key Managerial Person
6	Naresh Walia	Director (Retired)

Details of Related Party Transactions:

Particulars	2015-16	2014-15
<b><u>Deposits Accepted/(Repaid) :</u></b>		
Rajesh R. Mittal	173398697	54251704
Rajesh R. Mittal	(165889158)	(57706823)
Preeti R. Mittal	9731750	122876303
Preeti R. Mittal	(5487304)	(146080153)
Rajat R. Mittal	50253226	65633522
Rajat R. Mittal	(57723174)	(90902270)
Rajesh R. Mittal HUF	Nil	7885231
Rajesh R. Mittal HUF	Nil	(8397701)
<b><u>Interest :</u></b>		
Rajesh R. Mittal	2702131	743625
Preeti R. Mittal	29343	1365505



Rajat R. Mittal	421120	2461795
Rajesh R. Mittal HUF	Nil	-
<b>Remuneration</b>		
Rajesh R. Mittal	600000	600000
Rajat R. Mittal	200000	600000
Preeti R. Mittal	122885	600000
Shivshankar M. Agrawal	600000	393000
Naresh Walia	385000	Nil
<b>Rent Paid</b>		
Rajesh R. Mittal	43000	Nil

## 21.7 LEASE:

### Operating Lease Details:

Sr. No.	Particulars	Details
1.	Land at Ahmedabad	24 <sup>th</sup> April, 2002
	Period of Lease Agreement	30 Years
	Total Lease Rent p.a	Rs. 24000 /-
2.	Land at Hisar	16 <sup>th</sup> August, 2013
	Period of Lease Agreement	30 Years
	Total Lease Rent p.a	Rs. 1200000 /-
3.	Land 83/84 Village Kamod, Piplej – Pirana Road, Ahmedabad	
	Period of Lease Agreement	30 Years
	Total Lease Rent p.a	Rs. 43,000/-

21.8 Previous year's figures have been regrouped / reclassified to make them comparable with those of the current year, wherever necessary.

21.9 Figures have been rounded off to the nearest rupees.

### SIGNATURES TO NOTES 1 TO 21 As Per Our Report of even date

For C. P. Shah & Co.  
Chartered Accountants

Sd/-  
Chetan P. Shah  
Proprietor  
M. No. 31239  
FRN. 109526W  
Ahmedabad  
Date : 27<sup>th</sup> August, 2016

Sd/-  
Rajesh R. Mittal  
Director

Sd/-  
Preeti R Mittal  
Director