

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 initiated 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.

(vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial personnel**

Mr. Yash A. Mehta, Executive Director – Marketing of the Company is Mr. Ashok Mehta's Son.

III Other information

Under the guidance of Shri Ashok M. Mehta, the Company has taken series of measures to improve its profitability. The Company has performed well and has sound financial track record. The continuation of Shri Ashok M. Mehta as Managing Director will further stimulate the growth of the Company.

Your Directors recommend the approval of proposed Resolution by the Members.

None of the Directors other than Shri Ashok M. Mehta and Shri. Yash A. Mehta are interested in the Resolution.

ITEM NO. 6

Shri Yash A. Mehta was appointed as Executive Director - Marketing of the Company for a period of 3 years from 1st day of November, 2009 to 31st August, 2012. The Board of Directors in its Meeting held on 31st August, 2012 have decided to re-appoint Shri Yash A. Mehta as Executive Director - Marketing for a period of three years w.e.f. 1st November, 2012 on expiry of his term 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 Yash A. Mehta will be paid basic salary of Rs.1,00,000/- per month and other benefits and perquisites. The re-appointment of Shri Yash A. 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. 1,00,000/- 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 Yash A. Mehta as Executive Director - Marketing 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 Yash A. Mehta as Executive Director - Marketing. 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
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Other Income	51.78	52.95
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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 Yash A. 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 Yash A. Mehta was appointed as Executive Director, Marketing of the Company for a period of 3 years from 1st November, 2009 to 31st October, 2012 at a salary of Rs. 1,00,000/- per month plus perquisites and benefits. Shri Yash A. Mehta has been instrumental in turnaround of the Company. The Company has further diversified its business which will entail higher responsibilities on Shri Yash A. Mehta.

(iii) Recognition or awards

During his tenure as Executive Director - Marketing, the Company has not received any award.

(iv) Job Profile and his suitability

As a Executive Director, Marketing, Shri Yash A. 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 Yash A. Mehta possesses wide and rich experience and is best suited for steering the growth of the Company.

(v) Remuneration proposed

Payment of basic salary at the rate of Rs.1,00,000/- 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.

(vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the Managerial personnel**

Mr. Yash A. Mehta, Director of the Company is Mr. Ashok Mehta's Son.

III Other information

Under the guidance of Shri Yash A. Mehta, the Company has taken series of measures to improve its profitability. The Company has performed well and has sound financial track record. The continuation of Shri Yash A. Mehta as Executive Director, Marketing will further stimulate the growth of the Company.

Your Directors recommend the approval of proposed Resolution by the Members.

None of the Directors other than Shri Ashok M. Mehta and Shri Yash A. Mehta are interested in the Resolution.

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board

ASHOK M. MEHTA
Chairman & Managing Director

DIRECTOR'S REPORT

The Directors have pleasure in presenting their 21st Annual Report on the business and operations of the Company for the year ended 31st March, 2012.

1. FINANCIAL RESULTS:

	(Rs. In Lacs)	
	31 st March, 2012	31 st 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

2. DIVIDEND:

The Board of Directors are glad to recommend Final Dividend @ Re 1.5 per share on 54,86,400 Equity Shares of Rs.10/- each aggregating to Rs.82,29,600/- for the year ended 31st March, 2012, subject to approval of the Members of the Company at the ensuing Annual General Meeting scheduled to be held on 26th September, 2012.

3. DIRECTORS:

Shri Yash A. Mehta, Executive Director – Marketing of the Company retires by rotation under Article 104 of Articles of Association of the Company but being eligible offers himself for re-appointment.

Shri Ashok M. Mehta was appointed as Managing Director of the Company for a period of 3 years and his term expires on 31st October, 2012. The Board of Directors in its Meeting held on 31st August, 2012 has re-appointed him for a further period of 3 years w.e.f. 01st November, 2012 and necessary Resolution seeking approval of the Shareholders at the forthcoming Annual General Meeting is included in the Notice to the Shareholders.

Shri Yash A. Mehta was appointed as Executive Director – Marketing of the Company for a period of 3 years and his term expires on 31st October, 2012. The Board of Directors in its Meeting held on 31st August, 2012 has re-appointed him for a further period of 3 years w.e.f. 01st November, 2012 and necessary Resolution seeking approval of the Shareholders at the forthcoming Annual General Meeting is included in the Notice to the Shareholders.

4. OPERATIONS:

During the year under Report your Company achieved an Operating Income (from Job Work) of Rs.461.25 Lacs as against Rs. 590.81 Lacs in the previous year. Other Income earned during the year stood at Rs.51.78 lacs as against Rs.52.95 lacs in the previous year. The Profit before Depreciation was Rs. 313.22 Lacs as against Rs. 378.98 Lacs in the previous year. The profit after Depreciation and Tax was Rs.284.24 Lacs as against Rs. 350.77 Lacs in the year ended 31st March, 2011.

5. DONATIONS:

During the year under report donations were made to Social/ Educational Institutions amounting to Rs. 26,17,406/- (Previous year Rs. 35,17,500/-)

6. AUDITORS:

M/s. Akshay D. Shah & Co., Chartered Accountants of the Company will retire at the conclusion of the forthcoming Annual General Meeting and being eligible offers himself 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. PUBLIC DEPOSITS:

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

11. PARTICULARS OF EMPLOYEES:

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

Place: Mumbai

Date: 31st August, 2012

For and on behalf of the Board

**ASHOK M. MEHTA
Chairman & 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:

	2011-12	2010-11
A. CONSERVATION OF ENERGY		
ELECTRICITY CONSUMPTION (FOR MANUFACTURING)		
Unit (KWH)	175081	229508
Total Amount (Rs.)	1224390	1387000
Rate/Unit (average)	6.99	6.04
B. TECHNOLOGY ABSORBTION	Nil	Nil
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	Nil	Nil

For and on behalf of the Board

Place: Mumbai
Date: 31st August, 2012

ASHOK M. MEHTA
Chairman & 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. The current global steel industry is in its best position in comparing to last decades. The price has been rising continuously. The demand expectations for steel products are rapidly growing for coming years. The shares of steel industries are also in a high pace. The steel industry is enjoying its 6th consecutive years of growth in supply and demand. And there is many more merger and acquisitions which overall buoyed the industry and showed some good results.

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

India improved its ranking to become the 4th largest producer of crude steel in the world during 2011 after China, Japan and the USA. The country's production grew by around 6% in 2011 over 2010. In 2011, global steel output reached 1.5 billion tonnes, an increase of 7% compared to 2010 and a new record for world crude steel production.

Looking ahead, global steel market developments are likely to remain generally positive, but with lower growth in 2012 compared to 2011. In the first few months of 2012, apparent steel demand remained muted due to the uncertain economic climate. For 2012 as a whole, global steel demand is forecast to grow by a further 4% to reach 1,422 million tonnes. China, India and other emerging markets will continue to drive demand but recent market developments suggest likely slackening of demand.

In 2011, the industry was faced with stiff challenges due to rising inflationary pressures and deteriorating global growth conditions. The multiple hikes in interest rates by the central bank also impacted the industry's growth in rate sensitive key user industries. The production of flat products and long products of major Indian companies is estimated to have grown by around 7.5% and 4.5% respectively during Financial Year 2011-12 when compared with the previous financial year.

RISKS AND CONCERNS

The Indian steel sector needs to address its own opportunities and challenges, some of which are unique to the country. While issues around social licences to operate and growing resource nationalism are visible in most developing economies (and many developed countries as well), their impact on the growth of the Indian steel sector is more profound at current times. These include land acquisition issues and

complicated regulatory procedures. Inadequate infrastructure, while a current challenge, also provides a significant market opportunity. The Company has been taking continuous modernization programmed 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.461.25 Lacs as against Rs. 590.81 Lacs in the previous year. Other Income earned during the year stood at Rs.51.78 lacs as against Rs.52.95 lacs in the previous year. The Profit before Depreciation was Rs. 313.22 Lacs as against Rs. 378.98 Lacs in the previous year. The profit after Depreciation and Tax was Rs.284.24 Lacs as against Rs. 350.77 Lacs in the year ended 31st March, 2011.

Your Company continuous to be a zero debt Company and dividend paying Company. 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.

Place: Mumbai
Date: 31st August, 2012

For and on behalf of the Board

ASHOK M. MEHTA
Chairman & 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 2011-12 based on the disclosure requirements under Clause 49 of the Listing Agreement existing as on 31st March 2012.

2. Board of Directors:

The Board of Directors of the Company is comprised of committed persons with considerable experience in varied fields. The Board is properly constituted as per Clause 49 of the Listing Agreement. There are four Directors of which one is Executive Chairman & Managing Director, One is Executive Director & Marketing, and two are Non Executive Independent Director.

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, 2012 have been made by the Directors.

During the financial year ended 31st March, 2012, 6 (Six) Meetings of the Board of Directors were held as on 19/04/2011, 19/07/2011, 23/08/2011, 15/10/2011, 02/11/2011 and 02/02/2012.

Name of Directors	Category of Directors	No. of Board Meetings attended during 2011-12	Whether attended last AGM	Number of Directorship in other Public Limited Companies	No of membership of audit committee and Share Holders & Investors Grievance Committee in other Limited Companies	Chairmanship of audit committee and Share Holders & Investors Grievance Committee in other Limited Companies
Shri. Ashok M. Mehta	Chairman & Managing Director	6	Yes	Nil	Nil	Nil
Shri Yash A. Mehta	Executive Director, Marketing	6	Yes	Nil	Nil	Nil
Shri Ashwin P. Sanghavi	Non-Executive Independent Director	6	Yes	Nil	Nil	Nil
Shri Snehal S. Chinai	Non-Executive Independent Director	6	Yes	Nil	Nil	Nil

(details are as on 31st March, 2012)

- # Excludes alternate directorships and directorships in foreign Companies and Private Companies which are neither a subsidiary nor a holding Company of a Public Company.
- # Excludes Committees other than Audit Committee and Shareholders'/ Investors' Grievance Committee and Companies other than Public Limited Companies.

The Board periodically reviews compliance reports of all the laws applicable to the Company and has put in place procedures to review steps to be taken by the Company to rectify instances of non-compliance, if any.

In terms of the provisions of Clause 49 of the Listing Agreement and contemporary practices of good Corporate Governance, the Board has laid down a Code of Conduct for all Board members and senior management of the Company.

Details of Directors being appointed and re-appointed:

Mr. Yash A. Mehta who retires by rotation is proposed to be re-appointed as Director at the ensuing Annual General Meeting.
(In pursuance of Clause 49 of the Listing Agreement)

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 Companies in which outside Directorship held	Nil

Board Committees

The Board has constituted the following Committees of Directors:

(a) Audit Committee:

i. Terms of Reference

The role and terms of reference of Audit Committee covers areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, besides other terms as may be referred by the Board of Directors.

ii. Composition

The Audit Committee comprises of Shri Ashwin P. Sanghavi as Chairman and Shri Yash A. Mehta and Shri Snehal S. Chinai as Members.

During the 2011-12 under review 5(Five) meetings of the Audit Committee were held on 19/04/2011, 19/07/2011, 23/08/2011, 15/10/2011 and 02/02/2012. The attendance of Members are as follows:

Name	Category	Meetings during the year 2011-12	
		Held	Attended
Shri Ashwin P. Sanghavi, Chairman	Non-Executive Independent Director	5	5
Shri Yash A. Mehta, Member	Executive Director, Marketing	5	5
Shri Snehal S. Chinai, Member	Non-Executive Independent Director	5	5

The Constitution of the Audit Committee is in conformity with Clause 49 (II)(A)(ii) of the Listing Agreement. The Chairman of the Audit Committee is an Independent Director and is financially Literate and has accounting and related financial management expertise.

A brief description of the terms of reference of the Audit Committee is as follows:

To review Internal Audit Reports, Statutory Auditors' Report on the financial statements, to generally interact with the Internal Auditors and Statutory Auditors, to review the adequacy of internal control systems, to select and establish accounting policies, to review financial statements before submission to the Board, to recommend the appointment and removal of external auditor and fixation of audit fees and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

b. Share Transfer & Shareholders' / Investors' Grievance Committee:

(i) Terms of references

- a) To scrutinize and approve registration of transfer of shares / debentures / warrants issued / to be issued by the Company.
- b) To exercise all power conferred on the Board of Directors under Article 43 of the Article of Association.
- c) To decide all questions and matters that may arise in regard to transmission of shares / debentures / warrants issued / to be issued by the Company.
- d) To approve and issue duplicate shares / debentures / warrants certificates in lieu of those reported lost.
- e) To refer to the Board and any proposal of refusal of registration of transfer of shares / debentures / warrants for their consideration.
- f) To look into shareholders and investors complaints like transfer of shares, non-receipt of declared dividends, etc., and
- g) To delegate all or any of its power of Officers / Authorized Signatories of the Company.

(ii) Composition

The Shareholders/Investors Grievance Committee comprises of Shri Ashwin P. Sanghavi as Chairman and Shri Yash A. Mehta and Shri Snehal S. Chinai as Members.

During the 2011-12 under review 4(Four) meetings of the Shareholders/Investors Grievance Committee were held on 19/04/2011, 19/07/2011, 15/10/2011, and 02/02/2012. The attendance of Members are as follows:

Name	Category	Meetings during the year 2011-12	
		Held	Attended
Shri Ashwin P. Sanghavi, Chairman	Non-Executive Independent Director	4	4
Shri Yash A. Mehta, Member	Executive Director, Marketing	4	4
Shri Snehal S. Chinai, Member	Non-Executive Independent Director	4	4

The constitution and terms of reference of the Share Transfer & Shareholders'/ Investors' Grievance Committee is in agreement with the guidelines prescribed under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This committee (i) approves and monitors transfers, transmission, splitting and consolidation of securities and issue of duplicate Certificates by the Company; (ii) looks into various issues relating to shareholders, including the redressal of shareholders' and investors' complaints like transfer of shares, non-receipt of Balance Sheet, dividend etc.; and (iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Name and designation of Compliance officer:

- Mr. L. R. Mishra , Compliance Officer.
- No. of shareholders' complaints received during the year : Nil
- No. of complaints not resolved to the satisfaction of shareholders : Nil
- No. of pending share transfers : Nil

c. Remuneration Committee

The Remuneration Committee comprises of Mr. Ashwin P. Sanghavi (Chairman), Mr. Snehal S. Chinai (Member) & Mr. Yash A. Mehta (Member)

The remunerations paid to the Executive Directors are in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956.

The Composition of the Remuneration Committee and the details of meetings attended by the members of the Remuneration Committee are given below:

Name	Category	No. of Meetings	
		Held	During the year 2011-12 Attended
Mr. Ashwin P. Sanghavi	Independent, Non-Executive	NIL	NIL
Mr. Sbehal S. Chinai	Independent, Non-Executive	NIL	NIL
Mr. Yash A. Mehta	Executive	NIL	NIL

No Meeting of Remuneration Committee was held during the year.

Details of Remuneration for the year ended March 31, 2012:

Mr. Ashok M. Mehta, Managing Director of the Company was paid Managerial Remuneration @ Rs.18,00,000/- p.a. and Mr. Yash A Mehta, Executive Director - Marketing of the Company was paid Managerial Remuneration @ Rs.12,00,000/- p.a.

Non-Executive Director:

Non-Executive Directors have not been paid any amount during the financial year 2011-2012.

3. General Body Meetings:

(a) Location and time where last three Annual General Meetings were held:

Financial Year	Date	Time	Location
2010-2011	23/09/2011	11.00 A.M.	Plot No. C-17/2, MIDC, Industrial Area, Talaja, Dist. Raigad-410208 (Maharashtra)
2009-2010	21/05/2010	11.00 A.M	Plot No. C-17/2, MIDC, Industrial Area, Talaja, Dist. Raigad-410208 (Maharashtra)
2008-2009	24/09/2009	10.00 A. M.	Plot No. C-17/2, MIDC, Industrial Area, Talaja, Dist. Raigad-410208 (Maharashtra)

(b) Whether any Special Resolutions passed in three Previous Annual General Meeting:

No

(c) Whether Special Resolutions were put through postal ballot last year:

No

(d) Are votes proposed to be conducted through postal ballot this year :

No

4. Other disclosures:

(a) Related Party Transactions

The details of related party transactions are duly disclosed in the Notes to Account of the Company for the year ended 31st March, 2012.

(b) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

(c) Disclosures on Risk Management

During the year under review, a detailed exercise on Business Risk Management was carried out covering the entire spectrum of business operations and the Board has been informed about the risk assessment and minimization procedures as required under Clause 49 of the Listing Agreement. The Company has framed the Risk Assessment and Minimization- Procedure which will be periodically reviewed by the Board.

(d) Code of Conduct

The Board of Directors has adopted the Code of Ethics and Business Principles for the Members of Board of Directors and Senior Management Personnel Director. The said Code has been communicated to all the Directors. However, the Company has not posted Code of Conduct on its website.

(e) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

None

(f) Compliance with Mandatory Requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance.

(g) Means of communication:

(a) Quarterly Results:

The unaudited quarterly results are announced within Forty Five Days from the end of the quarter and the audited annual results within two months from the end of the last quarter, as stipulated under the listing agreement with the Bombay Stock Exchange Limited.

(b) Newspapers wherein normally published :

Aapla Mahanagar (Marathi)
The Asian Age (English)

Any Website, wherein displayed:

Yes, in Company's Website: www.rishabhdighasteel.com

(c) Whether Website also displays official news releases: No

(d) Whether presentations made to institutional investors or to the analysts: No

(e) Whether Management Discussion & Analysis Report is a part of Annual Report Yes

5. CEO/CFO Certification

A certificate from Ashok M. Mehta in his capacity as CEO on the financial statements of the Company was placed before the Board, as required by Clause 49(V) of the Listing Agreement.

6. General Shareholder information:

(a) **AGM date, time and venue:** Next Annual General Meeting will be held on Wednesday, 26th September, 2012 at 11.00 A. M. at Plot No. C-17/2, MIDC, Industrial Area, Taloja, Dist. Raigad (Maharashtra).

(b) **Financial Year:** The Financial Year is from 1st April 2012 to 31st March 2013.

**Tentative Financial Calendar
Financial Reporting and
Limited Review Report**

**Date of submission to
Stock Exchanges latest by**

For quarter ending June 30, 2012 : 26th July, 2012
 For quarter ending September 30, 2012 : upto 14th November, 2012
 For quarter ending December 31, 2012 : upto 14th February, 2013
 For year ending March 31, 2013 : upto 15th May, 2013
 AGM for year ending March 31, 2013 : End of September, 2013

- (c) **Book Closure period:** 20th September, 2012 to 26th September, 2012 (both days inclusive).
- (d) The Board of Directors are glad to recommend Final Dividend @ Re 1.5 per share on 54,86,400 Equity Shares of Rs.10/- each aggregating to Rs.82,29,600/- for the year ended 31st March, 2012, subject to approval of the Members of the Company at the ensuing Annual General Meeting scheduled to be held on 26th September, 2012.
- e) **Stock Exchanges where securities are listed.**
 The Company's securities are listed at: Bombay Stock Exchange

Stock Market Data:

Monthly high and low prices and trading volumes of Equity Shares of the Company at BSE for the year ended 31st March, 2012.

Date	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April 2011	30.80	28.00	10,551
May 2011	33.00	27.50	39,327
June 2011	30.00	22.40	32,645
July 2011	26.90	24.05	45,623
August 2011	29.80	23.50	53,749
September 2011	28.90	24.00	29,486
October 2011	27.20	20.60	13,468
November 2011	28.20	24.00	14,215
December 2011	28.10	24.00	17,860
January 2012	28.05	24.00	15,895
February 2012	27.40	24.10	30,207
March 2012	27.95	22.05	4,909

- (f) **Scrip code:** 531539- Bombay Stock Exchange
- (g) **ISIN No.** : INE864D01015
- (h) **Registrar and Transfer Agent:**
M/s. Universal Capital Securities Pvt. Ltd.
 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai-400093

(i) **Share transfer system:**

The Share transfers which are received in physical form are processed and the Share Certificates returned within the stipulated period of from the date of receipt, subject to the documents being valid and complete in all respects.

(j) **Dematerialization of shares and liquidity:**

The trading in Rishabh Digha Steel and Allied Products Limited Shares is permitted in the dematerialized form, 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

(k) **Outstanding GDRs/ Warrants, Convertible Bonds, conversion date and its impact on equity.** Nil

(l) **Distribution of Shareholding and Shareholding Pattern as on 31st March, 2012.**

(i) Distribution of Shareholding as on 31st March, 2012

No. of Shares	No. of Shareholders	% of holding	No. of Shares held	% of Share held
Up to 500	951	73.098	198619	3.620
501-1000	168	12.913	147310	2.685
1001-2000	72	5.534	116184	2.118
2001-3000	31	2.383	83971	1.531
3001-4000	7	0.538	25078	0.457
4001-5000	6	0.461	28711	0.523
5001-10000	26	1.998	192244	3.504
10001 & Above	40	3.075	4694283	85.562
Total	1301	100.000	5486400	100.000

(ii) Shareholding pattern as at 31st March, 2012:

	No. of Shares held	% to Total Shares
Promoter Group*	3506038	63.90
Mutual Funds and UTI	Nil	Nil
Banks & Financial institutions & Insurance Companies etc.	Nil	Nil
Corporate Bodies	57104	1.04
General Public	1909289	34.80
NRIs/ OCBs	10730	0.20
Clearing Members	3239	0.06
TOTAL	5486400	100.00
Demat-1. N.S.D.L.	1130796	20.61
2. C.S.D.L.	4313389	78.62
3. Physical	42215	0.77
TOTAL	5486400	100.00

l) **Plant Location:**

The Company's Plants are located at C-17/2, 3 & 4 MIDC Industrial Area, Taloja, Dist. Raigad-410208 (Maharashtra).

Address for correspondence:

The Company's Registered Office is situated at:
C-17/2, 3 & 4, MIDC Industrial Area, Taloja, Dist. Raigad-410208 (Maharashtra).

Correspondence by the shareholders should be addressed either to Registered Office or Registrar Share Transfer Agents or its Head Office at following address :-

Giriraj Bldg, Ground Floor, Iron Market, Sant Tukaram Road, Mumbai-400009

Non-Mandatory Requirements:

The Company is not yet implementing the non – mandatory requirements under Clause 49 of the Listing Agreement. However, adoption of other non-mandatory requirements under Clause 49 of the Listing Agreement is being reviewed by the Board from time to time.

DECLARATION

ANNUAL DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO) PURSUANT TO CLAUSE 49 (i) (d) (ii) OF THE LISTING AGREEMENT

As the Chief Executive Officer of Rishabh Digha Steel & Allied Products Limited and as required by Clause 49 (i) (d) (ii) of the Listing Agreement, I hereby declare that all the Board Members and the Senior Management personnel of the Company have affirmed Compliance with the Company's Code of Business Conduct and Ethics, for the Financial Year 2011 -12

For and on behalf of the Board

Place: Mumbai
Date: 31st August, 2012

ASHOK M. MEHTA
Chairman & Managing Director

CEO/ CFO CERTIFICATE

I (i) Ashok M. Mehta, Managing Director in my capacity as CEO of Rishabh Digha Steel and Allied Products Limited (“the Company”), to the best of our knowledge and belief certify that:

I have reviewed the balance sheet and profit and loss account and all its schedules and notes to accounts, as well as the cash flow statement.

Based on my knowledge, information and belief, these statements do not contain any untrue statement of a material fact or omit to state a material fact that might be misleading with respect to the statements made.

Based on my knowledge, information and belief, the financial statements and other financial information included in this report present a true and fair view of the company’s affairs for the period presented in this report and are in compliance with the existing accounting standards, applicable laws and regulations and full explanation has been given for any material departure in compliance of Accounting Standards.

To the best of my knowledge, information and belief, no transactions entered into by the company during the year are fraudulent, illegal or violative of the Company’s Code of Conduct.

I am responsible for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting.

I have disclosed, based on my most recent evaluation, wherever applicable, to the Company’s Auditors and the Audit Committee of the Company’s Board of Directors all significant deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps taken or proposed to be to rectify the deficiencies;

I have indicated to the Auditors and the Audit Committee:

- a) Significant changes in the Company’s internal control over the financial reporting during the year;
- b) All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements;
- c) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company’s internal control system over financial reporting.

Place: Mumbai
Date: 31st August, 2012

ASHOK M. MEHTA
Managing Director & CEO

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of:
Rishabh Digha Steel and Allied Products Limited
C-17/2, MIDC Industrial Area,
Taloja, Dist. Raigad (Maharashtra)

We have examined the compliance of conditions of Corporate Governance by **RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED** for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned listing Agreement(s) except the following requirements :

- (i) The certificate of corporate governance is given only by CEO of the Company as the Company has not appointed a CFO.

We state that no investor grievance is pending for a period exceeding one month against the Company as per records maintained by the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR S.K.JAIN & CO.
Company Secretary

Place: Mumbai
Date: 31st August, 2012

(S. K. JAIN)
Partner
M. No: 3076

Auditors' Certificate on Corporate Governance

To,
The Board of Directors,
M/s. RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED
Mumbai-400009

Dear Sirs,

We have examined the compliance of conditions of Corporate Governance by M/s. RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED for the year ended 31st March 2012 as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchanges.

The compliance of condition of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporation Governance as stipulated in the above-mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 31st March, 2012 no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For M/S. AKSHAY D SHAH & CO.
Chartered Accountants

Place: Mumbai

Dated: 31/08/2012

AKSHAY D.SHAH
(Proprietor)
Membership No.110775

The Members of RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

1. We have audited the attached balance sheet of **Rishabh Digha Steel And Allied Products Limited**, as at 31st March 2012, the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and as per the information and explanations furnished to us and the books and records examined by us in the normal course of audit. We enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of account as are required by law have been kept by the Company so far as appears from our examination of those books.
 - iii) The Balance Sheet, Profit and Loss account dealt with by this report are in agreement with the Books of accounts.
 - iv) In our opinion, the Balance Sheet, Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v) On the basis of written representations received from the directors, as on 31st March 2012 and taken on record by the Board of directors, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2012;
- b) in the case of the profit and loss account, of the profit for the year ended on that date; and
- c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

For M/S. Akshay D Shah and Co.
Chartered Accountants

Place: Mumbai
Date: 31/08/2012

AKSHAY D SHAH
(PROPRIETOR)
MEMBERSHIP NO.110775

ANNEXURE TO THE AUDITOR'S REPORT

Re: RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

(Referred to in paragraph 3 of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) During the year, the company has not disposed off a major part of the plant and machinery. This is according to the information and explanations given to us.
- (ii) (a) The Company by itself does not hold any inventory as company is basically engaged in Job work activity .The inventory held on behalf of the customers has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The company is maintaining proper manual records of inventory. The discrepancies noticed on verification between the physical stocks and the books records were not material.
- (iii) The company has not given as well as not taken any loans to/from members or firms or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of stores, spares and consumables, fixed assets and with regard to the raising of service invoices. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.

- (b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, company has not accepted deposit thus the compliance with the provisions of sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public is not required. The Company Law Board has passed no order.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) Maintenance of Cost Records has not been prescribed. Rules made by the Central Government for the maintenance of cost record under section 209 (1) (d) of the Companies Act, 1956. Accordingly provisions of this clause are not applicable to the company.
- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax and service tax.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31/03/2012 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company are not more than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) We are of the opinion that the company has granted advances to Employees. As informed to us there is no stipulation as to rate of interest and schedule of the repayment.

- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments and the company is just investing in shares. All the shares are held in the name of the Company. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion, the company has not given guarantees for loans taken by others from banks or financial institution.
- (xvi) In our opinion, no term loans have been taken neither they have been outstanding for the previous years.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debentures.
- (xx) According to the information and explanations given to us during the period covered by our audit report the company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For M/S. Akshay D Shah and Co.
Chartered Accountants

Place: Mumbai
Date: 31/08/2012

AKSHAY D SHAH
(PROPRIETOR)
MEMBERSHIP NO.110775

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED					
<u>BALANCE SHEET AS AT 31ST MARCH, 2012</u>					
			<u>Current Year</u>	<u>Previous Year</u>	
			<u>3/31/2012</u>	<u>3/31/2011</u>	
<u>Particulars</u>	<u>Note</u>	<u>Rs.(In '000)</u>		<u>Rs.(In '000)</u>	
I. EQUITY AND LIABILITIES					
<u>1.Shareholder's Funds</u>					
1	Share Capital	A	54,864.00	54,864.00	
2	Reserves & Surplus	B	43,197.35	33,817.50	
<u>2.Share Application money pending allotment</u>			-	-	
<u>3. Non- Current Liabilities</u>					
1	Deferred Tax Liabilities	C	-	270.93	
<u>4. Current Liabilities</u>					
1	Trade Payables	D	34.92	230.51	
2	Other Current Liabilities	E	789.67	80.65	
3	Short Term provisions	F	20,308.07	20,279.08	
TOTAL			119,194.02	109,542.66	
II ASSETS					
<u>1.Non Current Assets</u>					
1	<u>Fixed Assets</u>	G			
Tangible Assets					
Gross Block			70,018.66	70,784.49	
Accumulated Depreciation			38,817.16	35,919.65	
Net Block			31,201.50	34,864.85	
2	Non-Current Investments	H	66,897.04	47,496.97	
3	Deferred Tax Assets	I	155.38	-	
4	Long Term Loans & Advances	J	399.19	501.66	
<u>2.Current Assets</u>					
1	Trade Receivables	K	7,059.49	11,367.56	
2	Cash & Cash Equivalents	L	1,387.01	2,291.66	
3	Short Term Loans & Advances	M	91.10	955.20	
4	Other Current Assets	N	12,003.32	12,064.76	
TOTAL			119,194.02	109,542.66	
Note 'A' to 'W' forms the integral part of the Balance Sheet					
As per our Report of Even Date			For and on Behalf of the Board		
For:AKSHAY D. SHAH & CO.					
Chartered Accountants					
			MR. ASHOK M MEHTA		
			Chairman & Managing Director		
AKSHAY D. SHAH					
Proprietor					
Place : Mumbai			MR. YASH A MEHTA		
Dated : 31/08/2012			Executive Director- Marketing		

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED
PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2012

<u>Particulars</u>	<u>Note</u>	<u>Current Year</u> <u>3/31/2012</u> <u>Rs.(In '000)</u>	<u>Previous Year</u> <u>3/31/2011</u> <u>Rs.(In '000)</u>
<u>Income</u>			
Revenue from operations	P	46,125.04	59,081.25
Other Income	Q	5,178.34	5,294.96
Total Revenue		51,303.38	64,376.22
<u>Expenses</u>			
Cost of Materials consumed	R	4,448.06	6,274.62
Employee Benefits Expense	S	3,514.17	4,051.29
Depreciation & amortization expense	G	2,897.51	2,820.35
Other Expenses	T	12,019.22	16,152.44
Total Expenses		22,878.97	29,298.71
Profit Before taxation		28,424.40	35,077.50
Less: Current Tax		9,976.61	12,012.36
Less: Deferred Tax		(426.31)	(335.95)
Less: Excess Provision for Tax PY		135.33	-
Profit After taxation		18,738.78	23,401.09
Add: Surplus of Last Year		16,088.08	13,454.45
		34,826.85	36,855.54
<u>Appropriation</u>			
Interim Dividend Paid	U	-	8,229.60
Proposed Dividend		8,229.60	5,486.40
Dividend Distribution Tax		1,398.62	2,278.23
Transfer to Reserves		936.94	3,507.75
Prior Period Items		(269.30)	1,265.48
Balance Carried to Balance Sheet		24,531.00	16,088.08
<u>Earnings per equity share AS "20"</u>			
1) Basic	V	3.42	4.27
2) Diluted		3.42	4.27

Note 'A' to 'W' forms the integral part of the Balance Sheet

As per our Report of Even Date
For: AKSHAY D. SHAH & CO.
Chartered Accountants

AKSHAY D. SHAH
Proprietor

For and on Behalf of the Board

MR. ASHOK M MEHTA
Chairman & Managing Director

Place : Mumbai
Dated : 31/08/2012

MR. YASH A MEHTA
Executive Director- Marketing

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED
NOTES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH, 2012

<u>Particulars</u>	<u>Current Year</u> <u>3/31/2012</u> <u>Rs.(In '000)</u>	<u>Previous Year</u> <u>3/31/2011</u> <u>Rs.(In '000)</u>
<u>Note 'A' : Share Capital</u>		
<u>Authorised Share Capital</u>		
90,00,000(90,00,000) Equity Shares of Rs.10/-each	90,000.00	90,000.00
<u>Issued & Subscribed Capital</u>		
55,00,000 (55,00,000) Equity Shares of Rs.10/-each At Par	55,000.00	55,000.00
<u>Paid-Up-Capital</u>		
54,86,400(54,86,400) Equity Shares of Rs.10/- Each At Par	55,000.00	55,000.00
Add: Call Money	13.50	13.50
Less : Share Forfeiture A/c	149.50	149.50
	54,864.00	54,864.00
<u>Reconciliation of number of Shares</u>		
Opening Number of Shares	5,486,400.00	5,486,400.00
Number of Shares Issued	-	-
Number of Shares Bought Back	-	-
Closing Number of Shares	5,486,400.00	5,486,400.00
Par Value per share	10.00	10.00
Closing Paid up Share Capital	54,864.00	54,864.00
<u>Shareholders Holding more than 5% Shares</u>		
Ashok M Mehta	445,898.00	445,898.00
Dhan Financial Services Pvt Ltd	1,197,304.00	1,197,304.00
Digha Steel Industries Pvt Ltd	1,252,224.00	1,252,224.00
	2,895,426.00	2,895,426.00
<u>Note 'B': Reserves And Surplus</u>		
<u>Other Reserves</u>		
1. General Reserve	18,666.36	17,729.42
2. Profit & Loss Account	24,531.00	16,088.08
	43,197.35	33,817.50

Note 'C': Deferred Tax Liabilities

Deferred Tax Liability

Related to fixed asset	-	270.93
	-	270.93

Notes :

1. The Long Term Borrowings, Other Long Term Liabilities and Long Term Provisions are Nil and Hence not Shown on the face of Balance Sheet
2. Deferred Tax Liability for the Previous Year has been provided in accordance with AS-22 & the same has been charged to Profit & Loss Account. (Op.bal - Rs.6,06,874.15 Less Provided during the year - Rs.3,35,947.05 equal to Cl.bal. - Rs.2,70,927.10)
3. Provision for current tax is made after taking into consideration of benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax liability is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

Note 'D' Trade Payables

For Purchases

	34.92	230.51
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Note : The balances of Sundry Creditors are subject to Confirmation.

Note 'E': Other Current Liabilities

Unclaimed Dividend	789.67	80.65
	789.67	80.65

Note : The unclaimed dividend which remains unclaimed after the period of 7 years is transferred to designated bank account.

Note 'F': Short Term Provisions

Audit Fees Payable	50.56	49.64
Bonus Payable	126.74	126.74
Corporate Dividend Tax Payable	1,422.92	935.53
Credit Card Expenses Payable	27.29	-
Leave Salary Payable	63.37	63.37
Other Provisions	16.06	216.83
Proposed Dividend	8,229.60	5,486.40
Provision for tax (Current Year)	9,976.61	12,012.36
Service Tax Payable	387.30	1,370.39

TDS and Interest Penalty	(14.51)	-
TDS on Commission Payable	6.25	9.70
TDS on Cutting Charges Payable	2.85	5.04
TDS on Labour Charges Paid	0.11	1.08
TDS on Professional Fees Payable	6.50	-
Telephone Charges Payable	3.84	2.00
Staff Professional Tax Payable	2.58	-
Total	20,308.07	20,279.08

Notes :

1. The Short Term Borrowings are Nil and Hence not Shown on the face of Balance Sheet.
2. Provision for Payment of Gratuity to employees is not made. The same is accounted in the year in which it is paid. Current an amount of Rs.15,017/- has been paid. Contributions to defined contribution schemes such as gratuity are charged to Profit and Loss account as incurred. The Company also provides for retirement benefits in the form of gratuity and leave encashment.

Note 'H': Non-Current Investments

(Unquoted, At Cost)

FD with Bank of Baroda	53,800.00	36,701.85
FD with Canara Bank	-	500.00
FD with HDFC Bank	3,000.00	-
F.D. with State Bank of Bikaner & Jaipur	2,000.00	2,003.75

(Quoted, At Cost)

Investments in Equity Instruments	8,097.04	8,291.37
	66,897.04	47,496.97

Notes :

1. Market Value of Equity Instruments as on 31/03/2012 is Rs.83,22,353.00 (Previous Year Rs.95,94,354.70).
2. Investments are valued at cost. Any temporary dilution has not been provided for as they are meant for long term.

Note 'I': Deferred Tax Assets

Deferred Tax Asset

Related to fixed asset	155.38	-
	155.38	-

Notes :

1. Deferred Tax Asset for the Current Year has been provided in accordance with AS-22 & the same has been charged to Profit & Loss Account. (Op.bal - (Rs.2,70,927.10) Add Provided during the year - Rs.4,26,310.00 equal to Cl.bal. - Rs.1,55,382.90). Below is the Working for the same :

Depreciation Companies Act	2,897.51
Depreciation Income Tax Act	1,614.14
	<u>1,283.38</u>
Tax rate	33.22%
Deffered Tax Asset	<u>426.31</u>

2. Provision for current tax is made after taking into consideration of benefits admissible under the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

Note 'J': Long Term Loans & Advances

Capitla Advances	-	104.00
Deposits Given		
Office Security Deposits	126.00	126.00
MSEB Security Deposits	142.20	142.20
National Gas & Chemicals	1.00	1.00
Nikita Oxygen (Deposit)	5.00	5.00
Security Deposits	0.43	0.43
Shri Sairam Gas Agency	4.52	3.00
Telephone Deposits	1.00	1.00
Water Deposits	19.04	19.04
Maharahstra Decoiling Association	100.00	100.00
	<u>399.19</u>	<u>501.66</u>

Note : There is no Other Non Current Assets in the Company so the same has not been reflected on the face of the Balance Sheet.

Note 'K': Trade Receivables
(Unsecured, Considered Good)
Sundry Debtors

Outstanding for more than 6 Months	170.04	0.98
Others	6,889.45	11,366.58
	<u>7,059.49</u>	<u>11,367.56</u>

Note 'L': Cash & Cash Equivalent

Cash on Hand	195.49	23.40
In Current Account with Banks	1,191.52	2,268.26
	<u>1,387.01</u>	<u>2,291.66</u>

Note 'M': Short Term Loans & Advances**(Unsecured, Considered Good)****Loans Given**

Arpan Bavishi	-	360.50
J.R.C. Industries Ltd	-	500.00

Staff Loan:

Bhagwan V Patil	10.80	10.10
Dhruvchand S Chaudary	-	5.10
Gangaram S Chaudary	3.50	11.50
Ghanshyam R Chaudhary	8.00	7.40
Krishna C Bhayaje	13.00	7.00
Parshuram R Singh	13.00	9.00
Rambhuwal R Chauhan	16.50	8.40
Ramdas M Kashid	20.70	11.10
Ram Kuber Chaudhary	-	3.50
Shivshankar B Chaudhary	5.60	11.60
Suresh L Suryavanshi	-	10.00
	91.10	955.20

Note :

All the loans mentioned above are unsecured and are receivable on demand as and when required. All the above loans and advances is provided to employees and the same is provided free of Interest.

Note 'N': Other Current Assets

Interest Receivable on F.D.	3,030.39	1,137.39
Prepaid MIDC Pollution Tax	25.03	31.70
Advance Tax & TDS for F.Y.10-11	-	10,894.65
Advance Tax & TDS for F.Y.11-12	8,940.89	-
Service Tax Set Off	7.01	1.02
	12,003.32	12,064.76

Notes:

1. The Current Investments and Inventories are Nil and Hence not Shown on the face of the Balance Sheet.
2. In the opinion of the Board of Directors, the value on realization of Current Assets, Loans and Advances and Receivables if realized in the ordinary course of business, shall not be less than the amount at which they are stated in the Balance Sheet and Receivables and Loans and Advances including Capital Advances are Considered good and recoverable on an ongoing basis.
3. The balances of Deposits Given, Loans and Advances and Receivables are subject to Confirmation. There was no stock at start and close of accounting year.

Note 'O': Notes Forming Part of the Account

<u>Particulars</u>	As On	As On
	31.03.2012	31.03.2011
	<u>Rs.(In '000)</u>	<u>Rs.(In '000)</u>
1) Contingent liability not provided for	Nil	Nil
2) Estimated amount of contracts remaining to be executed on capital account and not provided for.	Nil	Nil
3) Payments to auditors		
(i) As Auditors	50.00	50.00
4) C.I.F.Value of Imports,Expenditure and Earning in Foreign Currencies		
(a) C.I.F. Value of Imports	Nil	Nil
(b) Expenditure in foreign Currencies	Nil	Nil
(c) Earnings in Foreign Currencies Export Sales	Nil	Nil
5) Details of Licenced & Installed Capacity,Production,Stocks & Turnover		
(a) Licenced Capacity		
(b) Installed Capacity		
(c) Production - Press Parts	N.A.	N.A.
(excluding on labour charges basis)	N.A.	N.A.
(d) Stocks at commencement		
Goods Traded in	Nil	Nil
Finished Goods	Nil	Nil
(e) Stocks at close		
Goods Traded in	Nil	Nil
Finished Goods	Nil	Nil
(f) Imported and indigenous raw material consumption		
Indigenous	Nil	Nil
Imported	Nil	Nil

The additional information pursuant to the provisions of paragraphs 3,4C and 4D of part II of the schedule VI 6) of the Companies Act, 1956 to the extent they are applicable are given below :

I. Company is mainly engaged in the job work of Decoiling, Straightening, Cutting, Shearing of Hr. CR and MS Coils / Sheets. It has no precise licensed capacities and installed capacities as such.

II. Company has earned gross receipt of Rs.4,61,25,038.15/- (Previous year Rs.5,90,81,253.14/-) on account of job work in respect of Decoiling, straightening and warehousing.

III. Details as regards trading Activities in finished goods. As there was no trading activity done during the year, the figures for current year would be NIL.

As per our Report of Even Date
For:AKSHAY D. SHAH & CO.
Chartered Accountants

AKSHAY D. SHAH
Proprietor

Place : Mumbai
Dated : 31/08/2012

For and on Behalf of the Board

MR. ASHOK M MEHTA
Chairman & Managing Director

MR. YASH A MEHTA
Executive Director- Marketing

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

Note 'G' : Fixed Assets

Sr. Particulars	Rate as per Companies Act	Gross Block				Depreciation				Net Blocks	
		As At 01/04/2011	Addition	Deduction	As At 3/31/2012	As At 01/04/2011	For the Year	W/Back During Year	As At 3/31/2012	As At 3/31/2012	As At 3/31/2011
A) Tangible Assets											
1. Leasehold Land	0.00%	4,911.33	-	-	4,911.33	-	-	-	-	4,911.33	4,911.33
2. Factory Building	3.34%	30,804.42	-	-	30,804.42	15,762.68	1,028.87	-	16,791.54	14,012.88	15,041.74
3. Plant & Machinery	4.75%	29,489.67	-	-	29,489.67	17,741.24	1,400.76	-	19,141.99	10,347.67	11,748.43
4. Furniture & Fixture	6.33%	1,103.55	-	-	1,103.55	1,004.46	69.97	-	1,074.42	29.13	99.09
5. Vehicles	9.50%	3,917.14	-	771.14	3,146.00	1,167.01	372.13	-	1,539.14	1,606.86	2,750.12
6. Office Equipment	4.75%	558.39	5.30	-	563.69	244.27	25.79	-	270.06	293.63	314.13
Total		70,784.49	5.30	771.14	70,018.66	35,919.65	2,897.51	-	38,817.16	31,201.50	34,864.85
Previous Year		69,778.58	1,005.91	-	70,784.49	33,099.30	2,820.35		35,919.65	34,864.85	36,679.29

B) Intangible Assets

Notes :

1. There is no Intangible Assets in the Company so the same has not been reflected on the face of the Balance Sheet.
2. Fixed Assets are valued at cost of acquisition inclusive of freight, duties, taxes, cost of financing during construction period and expenses related to acquisition, installation, erection and
3. Depreciation is provided on straight line basis at the rates specified in Schedule XIV to the Companies Act, 1956 from the date on which the assets is put to use.

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED
NOTES ATTACHED TO AND FORMING PART OF THE
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

<u>Particulars</u>	<u>Current Year</u> <u>3/31/2012</u> <u>Rs.(In '000)</u>	<u>Previous Year</u> <u>3/31/2011</u> <u>Rs.(In '000)</u>
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Note 'P': Revenue from Operations

Income from Jobwork	46,125.04	59,081.25
Total	46,125.04	59,081.25

Note : The Trading activity is as such stopped by the company. Thus the sales mainly consist of job work income. The income from Job work mainly includes recoveries for Decoiling, straightening, Cutting, shearing and warehousing and other small recoveries on account of loading and unloading, transportation charges.

Note 'Q' Other Income

Interest on investment	4,911.08	3,552.41
Dividend from shares	161.46	210.75
Long Term Capital Gain on Shares	641.87	1,531.72
Long Term Capital Loss on Sale of Car	(536.14)	-
Sundry Balances Written Off	0.07	0.08
Total	5,178.34	5,294.96

Note 'R': Cost of Materials Consumed

Material, Stores & Spares	1,417.72	2,077.50
Gas & Lubricants Expenses	28.03	103.53
Labour Charges	363.69	790.81
Cutting Charges	2,537.63	3,198.99
Water Charges	89.59	85.31
Transportation	11.41	18.49
Total	4,448.06	6,274.62

Note : The consumption of Materials, Stores and Spares is in the nature of small tools and accessories, which are required to be replaced on account of wear and tear in the ordinary course of business. The same does not admit for the quantitative details.

Note 'S' : Employee Benefits Expense

Bonus Paid	126.74	129.54
Gratuity	15.02	284.48
Leave Salary	63.37	63.37
Maharashtra Labour Welfare Fund	3.46	1.87
Medical Expenses	6.35	12.01
Overtime Salary	13.98	362.30
ESIC Employers Contribution	72.88	51.99
P F Employers Contribution	526.70	528.35
Salary & Wages	2,565.04	2,504.50
Staff Welfare expenses	120.64	112.89
Total	3,514.17	4,051.29

Note 'T' : Other Expenses**Power and Fuel**

Electricity Charges	1,265.74	1,575.56
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Rent

Machinery, Office Rent	1,332.00	1,185.00
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Repairs to Buildings

Repairs & Maintenance	173.54	-
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Repairs to Machinery

Repairs & Maintenance	205.38	625.75
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Insurance

Insurance	162.36	840.21
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Rates and taxes, excluding Taxes on Income

Grampanchayat Taxes	129.22	129.22
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MIDC Pollution Tax	6.67	6.67
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STT Paid	3.06	15.56
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Miscellaneous expenses

Account Writing Charges	-	36.00
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Advertisement & Promotions	41.85	31.65
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Audit Fee	50.00	50.00
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Bank Charges	0.28	3.35
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Brokerage & Commission	1,050.46	1,270.47
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Computer Expenses	4.45	8.25
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Conveyance	31.10	27.22
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Directors Remuneration	3,000.00	3,000.00
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Discount & Rebates	(0.05)	1,225.85
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Donation	2,617.41	3,517.50
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Entertainment Expenses	524.77	975.39
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Inspection Charges	5.40	6.60
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Listing Fees	60.67	51.31
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Legal & Professional fees	194.03	164.25
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Motor Car Expenses	36.43	53.52
Office Expenses & Others	122.11	107.59
Postage & Courier Expenses	26.18	59.56
Printing & Stationery	90.65	111.93
Telephone expenses	126.46	136.51
Travelling Expenses	759.06	937.53
Total	12,019.22	16,152.44

Note :

Pursuant to the agreements of Leave and License entered in to by the company, the following related parties have been paid rental charges for Machinery & Office Premises :

1. Digha Steel Industries Private Limited	720.00	720.00
2. Ashok Maganlal Mehta (HUF)	612.00	465.00
	1,332.00	1,185.00

Note 'T' : Appropriation

- Proposed Dividend is declared @ 15% of the Paid up capital. (Rs.5,48,64,000 * 15% = Rs.82,29,600/-)
- Dividend Distribution Tax is @ 16.995% of the the Proposed dividend. (Rs.82,29,600 * 16.995% = Rs.13,98,620.52/-)
- Transfer to Reserves is @ 5% of the Profit after tax. (Rs.1,87,38,780 * 5% = Rs.9,36,939/-)

Note 'U' : Earnings per Share AS "20"

Net Profit after tax as per Profit and Loss Account attributable to Equity Shareholders	18,738.78	23,401.09
Weighted Average Number of equity shares used as denominator for calculating EPS	5,486,400.00	5,486,400.00
Basic EPS (Rs.)	3.42	4.27
Diluted EPS (Rs.)	3.42	4.27
Face Value per Equity Share	10.00	10.00

As per our Report of Even Date
For:AKSHAY D. SHAH & CO.
Chartered Accountants

For and on Behalf of the Board

AKSHAY D. SHAH
Proprietor

MR. ASHOK M MEHTA
Chairman & Managing Director

Place : Mumbai
Dated : 31/08/2012

MR. YASH A MEHTA
Executive Director- Marketing

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

ACCOUNTING FOR THE YEAR ENDED 31ST MARCH 2012

SIGNIFICANT ACCOUNTING POLICIES (NOTE ' W ')

1) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

2) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

3) Own Fixed Assets

Fixed Assets are stated at cost net of recoverable taxes and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

4) Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization / depletion. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

5) Depreciation

Depreciation on fixed assets is provided to the extent of depreciable amount on Straight Line Method (SLM) at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

6) Foreign Currency Transactions

(a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

(b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward

exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized

as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

(c) Non monetary foreign currency items are carried at cost.

(e) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

7) Investments

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary.

8) Inventories

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, if any.

9) Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection.

10) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

11) Provision for Current and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

12) Provisions, 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 Liabilities are

not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

13) Event Occurring after the date of Balance Sheet

There is no important events occurred after the date of the balance sheet which has a material effect on the profitability or the position of the company.

14) Going Concern

The financial statement have been prepared assuming that the company will continue as going concern.

15) Earning Per Share

Earning per share is calculated on distributable profits to equity share holders after providing for the preference share dividend if any this is in accordance with the AS-20.

16) Preliminary Expenses & Pre-operative expenses

Preliminary expenses are capitalized and is written off over a period of 5 years from the date company commences its business activities as per section 35D of the Income Tax Act 1961. Other expenses which are not termed as preliminary expenses are capitalized to the relevant fixed assets as this are the expenses which are incurred to bring the assets in operating conditions.

17) Figures have been regrouped and rearranged wherever found necessary.

18) Figures in brackets represent figures of previous year.

Signature to schedules 'A' to 'W' forming integral part of the Balance Sheet and Profit and Loss Account.

As per our report of even date
For: AKSHAY D. SHAH & CO.
Chartered Accountants

AKSHAY D. SHAH
Director
Proprietor

Place: Mumbai
Date: 31/08/2012

For and behalf of the Board

ASHOK M. MEHTA
Chairman & Managing

YASH A MEHTA
Executive Director-Marketing

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED			
<u>BALANCE SHEET EXTRACT AND COMPANY'S GENERAL BUSINESS PROFIT</u>			
I.	<u>Registration Details</u>		
	Registration No.	64563	State Code 11
	Balance Sheet Date	3/31/2012	
II.	<u>Capital Raised during the Year</u>		
	Public Issue	NIL	Right Issue NIL
	Bonus Issue	NIL	Private Placement NIL
III.	<u>Postion of Mobilization and Deployment of Fund</u>		
	Total Liabilities	119,194.02	Total Assets 119,194.02
	Sources of Funds		
	Paid-Up Capital	54,864.00	Reserves & Surplus 43,197.35
	Secured Loans	NIL	Unsecured Loans NIL
	Deffered Tax	155.38	
	Application of Funds		
	Net Fixed Asstes	31,201.50	Investments 66,897.04
	Net Current Assets	(591.75)	Misc.Expenditure NIL
	Accumulated Losses	NIL	
IV.	<u>Performance of Company</u>		
	Turn Over	51,303.38	Total Expenditure 22,878.97
	Profit Before Tax	28,424.40	Profit After Tax & Provisions 18,738.78
	Earning per Share	3.42	Dividend 8,229.60
V	<u>Generic Names of Three Principal Products of Company</u>		
	Not Applicable		
	As per our Report of Even Date		For and on Behalf of the Board
	For:AKSHAY D. SHAH & CO.		
	Chatered Accountants		
			ASHOK M MEHTA
			Chairman & Managing Director
	AKSHAY D. SHAH		
	Proprietor		
			YASH A MEHTA
	Place: Mumbai		Executive Director- Marketing
	Dated: 31/08/2012		

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

<u>Particulars</u>	<u>Current Year</u> <u>3/31/2012</u> <u>Rs.(In '000)</u>	<u>Previous Year</u> <u>3/31/2011</u> <u>Rs.(In '000)</u>
A. <u>Cash Flow from Operating Activities</u>		
Profit Before Tax and Extra Ordinary	23,246.06	29,814.97
Adjustment for:		
Depreciation	2,897.51	2,820.35
Operating Profit Before Working Capital	26,143.58	32,635.33
Changes Adjustment for:		
Current Assets	5,076.17	(2,903.09)
Current Liabilities	(652.41)	(689.71)
Operating Profit After Working Capital	30,567.33	29,042.53
Less : Taxed Paid during the year	(8,649.93)	(9,300.00)
Cash generated from Operations	(a) 21,917.40	19,742.53
B. <u>Cash Flow Investing Activities</u>		
Purchase of Fixed Assets (Net)	(5.30)	(1,005.91)
Proceeds from Sale of Motor Vehicle	235.00	-
Interest, Dividend and Other Income	2,643.47	5,294.88
Investment Made during the year	(19,400.07)	(20,916.79)
Loans & Deposits	102.48	11,569.48
Net Cash Used in Investing Activities	(b) (16,424.43)	(5,058.34)
C. <u>Cash From Financial Activities</u>		
Corporate Dividend Tax Paid	(911.22)	(2,278.23)
Dividend Paid	(5,486.40)	(13,716.00)
Net Cash Used in Financing Activities	(c) (6,397.62)	(15,994.23)
Net Decrease in Cash and Cash Equivalent [a+b+c]	(904.65)	(1,310.04)
Cash and Cash Equivalent-Opening Balance	2,291.66	3,601.70
Cash and Cash Equivalent-Closing Balance	1,387.01	2,291.66

AUDITORS' CERTIFICATE

We have verified the above Cash Flow Statement of RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED derived from the audited financial statements for the year ended 31st March 2012 and 31st March 2011 and found the same to be drawn in accordance therewith and also with the requirement of clause 2 of the listing agreement with the Stock Exchange.

For M/S. AKSHAY D.SHAH & CO.
Chartered Accountants

Place : Mumbai

Dated : 31/08/2012

AKSHAY D SHAH
(Proprietor)
Membership No.110775

PROXY FORMS

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

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

Folio No. _____

I /We _____ of _____ being the member/members of the above named company hereby appoint _____ of _____ or failing him/her _____ of _____ as my /our proxy to attend and vote on my/our behalf as the 21st Annual General Meeting of the Company to be held on Wednesday, the 26th September, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature _____

Affix Re. 1/- revenue Stamp

Note: This Instrument of proxy shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting. Please affix One Rupee Revenue Stamp while making signature.

ATTENDANCE SLIP

RISHABH DIGHA STEEL AND ALLIED PRODUCTS LIMITED

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

**PLEASE COMPLETE THIS ATTENDANCE SLIP AND
HANDOVER AT THE ENTRANCE OF THE MEETING**

1. Name of the attending Member _____
(in Block Letter)

2. Members Folio No. _____

3. Name of the Proxy _____
(To be filled in Block Letters if the proxy attends instead of Member)

No. of Share Held _____

I hereby record my presence at the 21st Annual General Meeting of the Company on Wednesday, the 26th September, 2012.

Member's /Proxy's Signature

Note: The Copy of the Annual Report may please be brought at the time of meeting.