

RIDDHI STEEL & TUBE PRIVATE LIMITED

83/84, Village - Kamod,
Piplaj Pirana Road,
Post - Aslali,
Ahmedabad - 382427
Gujarat, India.

AUDIT REPORT

FINANCIAL YEAR

2014-2015



AUDITORS

C. P. SHAH & CO.

Chartered Accountants

403, ASHWAMEGH HOUSE, 5, SMRUTI KUNJ SOCIETY,

NAVRANGPURA, AHMEDABAD - 380009

Phone : (079) 26560222 (M) 9824067000

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

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

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

A. Conservation of Energy:

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

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

B. Technology Absorption:

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

C. Research and development (R & D) :

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

• **Expenditure on R & D :**

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

D. Foreign Exchange Earning and Outgo :

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

DIRECTOR REPORT'S ANNEXURE- B**EXTRACT OF ANNUAL RETURN
FORM MGT 9**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014]
Financial Year ended on 31.03.2015

I. REGISTRATION & OTHER DETAILS :

i	CIN	:	U27106GJ2001PTC039978
ii	Registration Date	:	07-09-2001
iii	Name of the Company	:	RIDDHI STEEL & TUBE PRIVATE LIMITED
iv	Category/Sub-category of the Company	:	Company Limited by Shares
v	Address of the Registered office & contact details	:	83/84, Village - Kamod, Piplaj Pirana Road, Post - Aslali, Ahmedabad - 382427 Gujarat, India.
vi	Whether listed company	:	NO
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	:	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

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

IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)
(a) Category-Wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% change during the year	
	Demat	Physical	Total	% of Total	Demat	Physical		Total
A. Promoters & Promoter's Group	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-
a) Individual	-	4474630	4474630	75.20 %	-	4474630	4474630	75.20 %
b) Central Govt. or State	-	-	-	-	-	-	-	-
c) Bodies Corporates	-	-	-	-	-	-	-	-
d) Bank/FI	-	-	-	-	-	-	-	-
e) Any other	-	1475622	1475622	24.80 %	-	1475622	1475622	24.80 %
SUB TOTAL (A) (1)	-	-	-	-	-	-	-	-
(2) Foreign	-	-	-	-	-	-	-	-
a) NRI- Individuals	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-
e) Any other ...	-	-	-	-	-	-	-	-
SUB TOTAL (A) (2)	-	-	-	-	-	-	-	-
Total Shareholding of Promoter	-	5950252	5950252	100.00%	-	5950252	5950252	100.00%
(A) = (A)(1)+(A)(2)	-	-	-	-	-	-	-	-

Grand Total (A+B+C)	5950252	5950252	100.00%	-	5950252	5950252	100.00%	-
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(b) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total Shares of the company	% of shares Pledged encumbered to total shares	
1	Rajesh R. Mittal	11850	0.20 %	-	11850	0.20 %	-	-
2	Rajesh R. Mittal HUF	486502	8.18 %	-	486502	8.18 %	-	-
3	Rajat R. Mittal	1136838	19.10 %	-	1136838	19.11 %	-	-
4	Riddhi R. Mittal	52141	0.88 %	-	52141	0.88 %	-	-
5	Preeti R. Mittal	2882204	48.44 %	-	2882204	48.44 %	-	-
6	Indravati R. Mittal	229097	3.85 %	-	229097	3.85 %	-	-
	Total	4798632	80.65 %	-	4798632	80.65 %	-	-

(c) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE): There is no change in the Promoters' shareholding during the financial year.

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

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

(e) SHAREHOLDING OF DIRECTORS & KEY MANAGERIAL PERSONNEL:

Sl. No	For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Shareholding of Directors :				
	Mr. Rajesh R. Mittal				
	At the beginning of the year	11850	0.20 %	11850	0.20 %
	At the end of the year	11850	0.20 %	11850	0.20 %

V. INDEBTEDNESS :

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

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits (shareholder + Director)	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	416507058	160791478	59238918	636537454
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	416507058	636537454	59238918	636537454
Change in Indebtedness during the financial year				
• Addition	2719406961	299329397	255218085	3273954443
• Reduction	(2687548002)	(189260239)	(303086947)	(3179895188)
Net Change	31858959	110069158	(47868862)	94059255
Indebtedness at the end of the financial year				
i) Principal Amount	448366017	270860636	11370056	730596709
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	448366017	270860636	11370056	730596709

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Director/Manager				Total Amount
		Rajesh R. Mittal	Preeti R. Mittal	Shivshankar M. Agrawal	Rajat R. Mittal	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	600000	600000	393000	600000	2193000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission- as % of profit - others, specify					
5.	Others, please specify					
	Total (A)	600000	600000	393000	600000	2193000

B) Remuneration to other directors:

No Remuneration is paid to other directors.

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

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties/Punishment/Compounding of offences for the year ending March 31, 2015.

Form No. AOC-2

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

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

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

There were no contracts or arrangements or transactions entered into during the year ended on 31st March, 2015, which were not at arm's length basis.

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

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

RIDDHI STEEL & TUBE PRIVATE LIMITED

ANNUAL REPORT

Contents

- Board of Directors
- Notice
- Directors' Report
- Independent Auditors' Report
- Annexure to Independent Auditors' Report
- Balance Sheet
- Statement of Profit and Loss
- Cash Flow Statement
- Significant Accounting Policies
- Notes to financial statements

The Board of Directors:

Rajesh R. Mittal
Nareshkumar R. Walia
Shivshankar M. Agrawal

Director
Director
Director

Auditors:

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

Bankers:

Canara Bank
Prime Corporate Branch, Ahmedabad.

Registered / Corporate Office:

83/84, Village - Kamod,
Piplaj Pirana Road,
Post - Aslali,
Ahmedabad - 382427
Gujarat, India.

Works At:

83/84, Village - Kamod,
Piplaj Pirana Road,
Post - Aslali,
Ahmedabad - 382427
Gujarat, India.

CIN: U27106GJ2001PTC039978

NOTICE

Notice is hereby given that the **Fourteenth** Annual General Meeting of the members of **RIDDHI STEEL & TUBE PRIVATE LIMITED** will be held on **Wednesday 30th day of September, 2015** at 11.00 a.m. at the Registered Office of the company, situated at 83/84, Village - Kamod, Piplaj Pirana Road, Post - Aslali, Ahmedabad - 382427, Gujarat, India to transact the following business.

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2015 and the Statement of Profit and Loss for the year ended on that date together with the Directors' and Independent Auditors' Reports thereon.
2. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **ORDINARY RESOLUTION**:

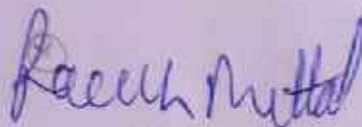
"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the appointment of M/s C.P Shah & Co., Chartered Accountants, Ahmedabad (Registration No.109526W), as Auditors of the Company, and they will hold office from the conclusion of this Annual General Meeting until the conclusion of the Sixteenth Annual General Meeting, with the remuneration as may be fixed by the Board, apart from reimbursement of out of pocket expenses as may be incurred by them for the purpose of audit."

Note:

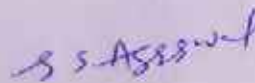
A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself /herself and a proxy need not be a member of the company. Proxy in order to be effective must be received by the company not less than 48 hours before the meeting.

Registered Office :

83/84, Village - Kamod,
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Gujarat, India.

By order of the Board of Directors


Rajesh R. Mittal
Director



Shivshankar M. Agarwal
Director

Date : 01st September, 2015

RIDDHI STEEL & TUBE PRIVATE LIMITED
DIRECTOR'S REPORT

To,
The Members,

Your Directors are pleased to present the **Fourteenth** Annual Report together with the Audited Annual Accounts of the Company for the year ended **31st March, 2015**.

FINANCIAL RESULTS:

	2014-2015	2013-2014
Profit/(Loss) Before Depreciation and Tax	68495683	59500622
Less : Depreciation	(30816468)	(23915011)
Add : Prior Period Item	-	-
Profit for the year before taxation	37679215	35585611
Less: Provision for Taxation:		
i. Current Year Tax	11730341	7617130
ii. Deferred Tax	630421	5094237
Profit after taxation	25318454	22874244
Add: Brought forward balance of Profit & loss A/c.	100430786	77556542
Less: Depreciation in respect of assets whose useful life is over	253516	-
Add: DTA on Depreciation charged to retained earnings	77196	-
Balance Carried to Balance Sheet	125572919	100430786

REVIEW OF OPERATIONS:

During the year under review, the revenue from operations is Rs. 233,89,07,076 (previous year Rs. 206,08,76,267.) The Profit before depreciation and tax has increased to Rs. 6,84,95,963 from Rs. 5,95,00,622. The net profit after tax has increased to Rs. 2,53,18,454 from Rs. 2,28,74,244. At the end of the year, Company's reserves stood at Rs. 13,90,72,919 (Previous Year Rs. 11,39,30,786).

DIVIDEND:

In order to preserve liquidity your directors do not recommend for payment of dividend on equity shares for the year ended 31/03/2015.

SHARE CAPITAL:

The Paid up equity Capital as on March 31, 2015 was Rs. 5,95,02,520. During the year under review, the Company had not issued any class of Equity Shares. Moreover the Company had not issued any shares with differential voting rights nor granted stock options nor sweat equity.

TRANSFER TO RESERVES:

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

PARTICULARS OF EMPLOYEES:

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

CAPITAL EXPENDITURE:

During the year under review, the Company has incurred Rs. 2,24,90,931 as Capital Expenditure for acquisition of various fixed assets.

AUDITORS AND THEIR REPORT:

The Auditors, M/s C.P. Shah & Co, Chartered Accountants, Ahmedabad, retire at this Annual General Meeting and being eligible, offer themselves for reappointment.

The Auditors' Report does not contain any qualification, reservation or adverse remarks.

The Company has received letters from him to the effect that their re-appointment if made, would be within the prescribed limit under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

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

"The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The following is a summary of sexual harassment complaints received and disposed off during the year 2014-15.

No of complaints received: NIL

No of complaints disposed off: NIL"

INSURANCE:

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

NOTE ON ACCOUNTS:

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

COMPLIANCE UNDER COMPANIES ACT, 2013:

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

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

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

EXTRACT OF ANNUAL RETURN:

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

BOARD MEETINGS HELD DURING THE YEAR:

The Board of Directors duly met 10 times during the financial year from 1st April, 2014 to 31st March, 2015.

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

DIRECTORS AND KEY MANAGERIAL PERSONNELS:

During the period under consideration there was no change in Board of Directors of the Company.

CORPORATE SOCIAL RESPONSIBILITY:

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the same period.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- d) The directors have prepared the annual accounts on a going concern basis.

- e) The directors have laid down internal financial controls in the company that are adequate and were operating effectively.
- f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and these are adequate and are operating effectively.

PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements provided in the annual report. Attention is drawn to Note No. 13 of notes to the financial institutions.

RELATED PARTY TRANSACTION:

None of the transactions with any of related parties were in conflict with the Company's interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 22.5 of Financial Statements, forming part of the Annual Report.

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

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

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

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

DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

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

FIXED DEPOSITS:

The company has not accepted deposits from the shareholders during the year ended 31st March 2015 within the meaning of sec 73 of the companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

ORDERS BY REGULATORS, COURTS OR TRIBUNALS:

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

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:

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

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable Accounting Standards and Policies.

- Compliance with applicable statutes, policies and management policies and procedures.
- Effective use of resources and safeguarding of assets.

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

INDUSTRIAL RELATIONS:

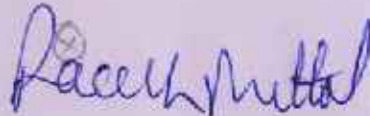
Relations with the company's employees continue to be cordial. The company has a good track record of harmonious relations with employees and all stake holders.

ACKNOWLEDGEMENTS:

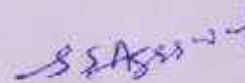
Your Directors gratefully acknowledge the contributions made by the employees towards the success of the Company. Your Directors are also thankful for the co-operation and assistance received from the Bankers, Central and State Government Departments and Local Authorities.

Registered Office :
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Gujarat, India.

By order of the Board of Directors



Rajesh R. Mittal
Director



Shivshankar M. Agrawal
Director

Date : 01st September, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RIDDHI STEEL & TUBE PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **RIDDHI STEEL & TUBE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

[RIDDHI STEEL & TUBE PRIVATE LIMITED]



[ANNUAL REPORT 2014-2015]

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its Profits and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- i. As required by the Companies (Auditor's Report) Order, 2015 ('The Order') issued by the Central Government of India in terms of subsection 11 of section 143 of the Act, We give in the annexure a statement on the matters specified in the paragraph 3 and 4 of the order to the extent possible.
- ii. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which can impact its financial position.
 - ii. The company has made the provision, as required under the applicable laws or accounting standards for material foreseeable losses on long term contracts including derivative contracts.
 - iii. The company is not require to transfer any amount to the Investor Education and Protection Fund.

Ahmedabad
01st September, 2015



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

Chetan P. Shah
Proprietor
M.No. 031239

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditors' Report to the members of the company on the financial statement for the year ended 31st March, 2015, we report that:
On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. In respect of its fixed assets:

- (a) The Company has maintained proper records showing full particulars including quantitative details of the fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a regular interval of time. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

2. In respect of its Inventories:

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. In Respect of the Loans, secured or unsecured, granted by the company to companies, firms or other parties covered in the register maintained under the Section 189 of the Companies Act, 2013.

The Company has not granted unsecured loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the paragraph 3(ii) of the companies (Auditor's Report) Order, 2015 is not applicable to the company.

- 4. 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 inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 5. The company has not accepted any deposits from the public. Therefore, the paragraph 3(v) of the companies (Auditor's Report) Order, 2015 is not applicable to the company.
- 6. The company is not required to maintain cost records under section 148 of the Companies Act, 2013.



7. In respect of statutory dues:

- (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount is payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess, etc., for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax and cess which have not been deposited on accounts of any dispute.
- (c) There being no dividends which remained unpaid or unclaimed and hence The Company is not required to transfer any amount to the Investors Education and Protection Fund. Therefore clause (c) of the paragraph 3(vii) of the companies (Auditor's Report) Order, 2015 is not applicable.
8. The company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution or bank. The company is not having any debentures outstanding. Therefore paragraph 3(ix) of the companies (Auditor's Report) Order, 2015 is not applicable.
10. The company has not given guarantees for loan taken by others from banks or financial institutions. Therefore paragraph 3(x) of the companies (Auditor's Report) Order, 2015 is not applicable.
11. In our opinion, the term loan raised during the financial year has been applied for the purpose for which they were procured.
12. According to the information and explanation given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

Ahmedabad
01st September, 2015



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

A handwritten signature in blue ink, appearing to read "Chetan P. Shah".

**Chetan P. Shah
Proprietor
M.No. 031239**

RIDDHI STEEL & TUBE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

Particulars	Note	As at 31.03.2015		As at 31.03.2014	
		Rupees	Rupees	Rupees	Rupees
EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	2	59,502,520		59,502,520	
(b) Reserves & Surplus	3	139,072,919	198,575,439	113,930,786	173,433,306
(2) Share Application Money Pending Allotment					
-					
(3) Non-Current Liabilities					
(a) Long-Term Borrowings	4	354,922,040		315,757,135	
(b) Deferred Tax Liabilities (Net)		9,430,996	364,353,036	8,877,771	324,634,906
(4) Current Liabilities					
(a) Short-Term Borrowings	5	393,489,669		361,183,478	
(b) Trade Payables	6	37,904,114		76,310,683	
(c) Other Current Liabilities	7	11,131,888		8,373,949	
(d) Short-Term Provisions	8	13,689,536	456,215,207	9,160,423	455,028,533
		1,019,143,682		953,096,745	
ASSETS					
(1) Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	9	190,001,475		203,822,611	
(ii) Intangible Assets					
(iii) Capital Work In Progress	9(A)	52,736,742	242,738,217	50,554,659	254,377,270
(2) Current Assets					
(a) Inventories	10	222,575,739		222,285,463	
(b) Trade Receivables	11	335,692,862		327,619,499	
(c) Cash and Cash Equivalents	12	25,665,156		30,220,993	
(d) Short-Term Loans and Advances	13	192,471,708	776,405,465	118,593,521	698,719,475
		1,019,143,682		953,096,745	

Summary of Significant Accounting Policies 1
 Additional Notes to Financial Statement 22

As per our report of even date attached
 For: C. P. Shah & Co.
 Chartered Accountants
 Firm Registration No : 109526W



Chetan P. Shah
 Chetan P. Shah
 Membership No.: 031239
 Place: Ahmedabad
 Date: 01/09/2015

For and on behalf of the Board

Rajesh R Mittal

Rajesh R Mittal
 Director

Place: Ahmedabad
 Date: 01/09/2015

Shivshankar Agrawal

Shivshankar Agrawal
 Director

Place: Ahmedabad
 Date: 01/09/2015

RIDDHI STEEL & TUBE PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2015

Particulars	Note	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
		Rupees	Rupees	Rupees	Rupees
(II) REVENUE					
Revenue from Operations	14	2,338,907,076		2,060,876,267	
Other Income	15	10,768,787		11,830,725	
(II) Total Revenue			2,349,675,863		2,072,706,992
(III) EXPENSES					
Cost Of Material Consumed	16	2,081,534,457		1,823,599,247	
(Increase) / Decrease in Stock	17	(10,858,717)		20,236,255	
Manufacturing Expenses	18	31,738,355		18,953,107	
Employee Benefits Expense	19	5,165,544		7,464,889	
Financial Charges	20	87,555,157		75,302,313	
Administrative and Selling Expenses	21	86,045,384		67,710,559	
Depreciation and Amortisation expense	9	30,816,468		23,915,011	
(IV) Total Expenses			2,311,996,649		2,037,121,381
(V) Prior Period Items					
(VI) Profit / (Loss) Before Exceptional Items and Tax (II-IV)			37,679,215		55,585,611
(VII) Exceptional items					
(VIII) Profit(Loss) before Taxes - PBT (VI-VII)			37,679,215		55,585,611
(IX) Tax Expense:					
Current tax		11,750,341		7,617,130	
Deferred tax		630,421	12,360,762	5,094,237	12,711,367
(X) Profit(Loss) for the period after tax			25,318,454		22,874,244
(XI) Earnings per share					
- Basic EPS			4.26		4.06
- Diluted EPS			4.26		4.06
- Nominal value of shares			10.00		10.00

As per our report of even date attached
 For, C. P. Shah & Co.
 Chartered Accountants
 Firm Registration No : 109526W

Chetan P. Shah
 Membership No.: 031239
 Place: Ahmedabad
 Date: 01/09/2015



For and on behalf of the Board

Rajesh R Mittal

Rajesh R Mittal
 Director

Place: Ahmedabad
 Date: 01/09/2015

Shivshankar Agrawal

Shivshankar Agrawal
 Director

Place: Ahmedabad
 Date: 01/09/2015

RIDDHI STEEL & TUBE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015.

Particulars	For The Year	For The Year Ended
	Ended 31.03.2015	31.03.2014
	Amt.	Amt.
Cash Flow From Operating Activities :		
Net Profit before tax as per Profit and Loss statement	37,679,215	35,585,611
Add: Non Cash and Non Operating Expenses		
Depreciation	30,816,468	23,915,011
Preliminary Expenses Written Off	-	202,001
Sundry Balances Written Off	-	151,987
Finance Charges	87,555,157	75,302,313
Less: Non Operating Income		
Interest Income	10,679,271	2,780,609
Cash Flow before change in working capital	145,371,589	132,376,314
Increase / (Decrease) in Trade Payable	(3,84,06,569)	60,332,368
Increase in Other Current Liabilities	2,757,939	3,621,311
Increase / (Decrease) in Short Term Provisions	415,902	(33,04,933)
Increase in Short Term Loans & Advances	(7,38,78,187)	(3,38,42,330)
Increase in Inventories	(2,90,275)	(4,11,98,743)
Increase in Trade Receivable	(80,73,363)	(11,68,93,663)
Cash Flow Before Tax	27,897,015	1,290,324
Less: Tax	7,617,130	5,500,887
Cash Flow From Operating Activities	20,279,885	(42,10,563)
Cash Flow From Investing Activities :		
Interest Income	10,679,271	2,780,609
Sale of Fixed Assets	-	1,615,069
Contribution for Acquisition of Common Estate Asset	-	-
Purchase of Fixed Assets	(1,94,30,932)	(11,57,70,649)
Cash Flow From Investing Activities	(87,51,661)	(11,13,74,971)
Cash Flow From Financing Activities :		
Proceeds from Issue of Shares	-	9,600,000
Finance Charges	(8,75,55,157)	(7,53,02,313)
Procurement of Short Term Loans (Net)	32,306,191	86,667,465
Procurement of Long Term Loans (Net)	39,164,805	120,892,664
Cash Flow From Financing Activities	(1,80,84,061)	141,857,816
Net Cash Flow During the year	(45,55,837)	26,272,282
Cash & Cash Equivalents at the beginning of the Year	30,220,993	3,948,711
Cash & Cash Equivalents at the end of the Year	25,665,156	30,220,993
Net Increase/(decrease)	(45,55,837)	26,272,282

As per our report of even date attached

For, C. P. Shah & Co.
 Chartered Accountants
 Firm Registration No : 109526W

Chetan P. Shah

Chetan P. Shah
 Membership No.: 031239
 Place: Ahmedabad
 Date: 01/09/2015



For and on behalf of the Board

Rajesh R Mittal

Rajesh R Mittal
 Director

S.S. Agrawal

Shivshankar Agrawal
 Director

1. SIGNIFICANT ACCOUNTING POLICIES

(i). BASIS OF PREPARATION:

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

(ii). USE OF ESTIMATES:

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

(iii). INVENTORY:

Inventories are valued as under;

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

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

(iv). REVENUE RECOGNITION:

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

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

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

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

(v). FIXED ASSETS AND DEPRECIATION:

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



(vi). EMPLOYEE BENEFITS:

Short - Term Employee Benefits:

Bonus :

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

(vii). BORROWING COST:

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

(viii). SEGMENT REPORTING:

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

(ix). EARNING PER SHARE:

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

(x). TAXES ON INCOME:

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

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

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



NOTE NO. 02 - SHARE CAPITAL

Particulars	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Authorised Shares 7000,000 Equity Shares of Rs.10/- each	70,000,000	70,000,000	70,000,000	70,000,000
Issued, Subscribed and Paid up shares 59,50,252 Equity Shares of Rs.10/- each fully paid up	59,502,520	59,502,520	59,502,520	59,502,520
		59,502,520		59,502,520

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	No of Shares	Rupees	No of Shares	Rupees
Equity Shares:				
At the beginning of the period	5,950,252	59,502,520	5,950,252	59,502,520
Shares issued during the year as fully paid	-	-	-	-
Outstanding at the end of the period	5,950,252	59,502,520	5,950,252	59,502,520

b. Terms / Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share.

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

Particulars	As at 31.03.2015		As at 31.03.2014	
	No of Shares	%	No of Shares	%
Equity Shares of Rs.10/- each fully paid				
Mr. Rajesh R Mittal HUF	486502	8.18%	486502	8.18%
Smt. Prati R. Mittal	2882204	48.44%	2882204	48.44%
Mr. Rajat R Mittal	1136838	19.11%	1136838	19.11%

NOTE NO. 03 - RESERVES & SURPLUS

Particulars	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Share Premium				
Balance as per the last financial statement	13,500,000		13,500,000	
Add: Amount transferred to share premium account	-		-	
Less: Amount transferred From share premium account	-		-	
Closing Balance		13,500,000		13,500,000
Surplus / (deficit) in the Statement of Profit and Loss				
Balance as per the last financial statement	100,430,786		77,556,542	
Add: Profit for the period	25,318,454		22,874,244	
Less: Depreciation in respect of Assets whose useful life is over	(253,516)		-	
Add: DTA in respect of Assets whose useful life is over	77,196		-	
Closing Balance		125,572,919		100,430,786
Preliminary Expenses Not Written Off				
Balance as per the last financial statement	-		202,001	
Add : Preliminary Expenses Incurred During the Year	-		-	
Less: Preliminary Expenses Written Off	-		(202,001)	
Total of Reserves and Surplus		139,072,919		113,930,786



NOTE NO. 04 - LONG TERM BORROWINGS

Particulars	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Secured Loan:				
From Canara Bank Term Loan Account-1801	-		2,144,000	
From Canara Bank Term Loan Account-0016	39,750,005		59,350,001	
From Intec Capital Limited	32,638,898		43,232,737	
(Secured against Movable And Immovable Property & Personal guarantee of Directors.)		72,388,903		95,726,738
Unsecured Loan:				
From Directors	11,672,501		58,726,448	
From Shareholders, Relative & Others	270,860,636	282,533,137	161,303,949	220,030,397
		354,922,040		315,757,135

NOTE NO. 05 - SHORT TERM BORROWINGS

Particulars	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Secured Loan:				
From Canara Bank Cash Credit A/C	285,675,350		230,910,320	
(Secured against Movable And Immovable Property & Personal guarantee of Directors.)				
From Canbank Factory	17,815,000		40,403,158	
From Canara Bank LC A/C	89,999,319		89,870,000	
		393,489,669		361,183,478

NOTE NO. 06 - TRADE PAYABLES

Particulars	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Creditors For Goods & Expenses	11,558,192		44,775,273	
Creditors For Capital Goods	26,345,922	37,904,114	31,535,410	76,310,683
		37,904,114		76,310,683

NOTE NO. 07 - OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2014		As at 31.03.2013	
	Rupees	Rupees	Rupees	Rupees
Advance From Customers	3,403,655		2,919,926	
Statutory Liabilities	7,725,553		5,440,995	
Other Liabilities	2,680	11,131,888	13,028	8,373,949
		11,131,888		8,373,949

NOTE NO. 08 - SHORT TERM PROVISIONS

Particulars	As at 31.03.2015		As at 31.03.2014	
	Rupees	Rupees	Rupees	Rupees
Provision For Income Tax	11,730,341		7,617,130	
Unpaid Electricity Bill	1,713,836		1,343,448	
Unpaid Salary	245,359		173,587	
Unpaid Telephone Bill	-	13,689,536	26,258	9,160,423
		13,689,536		9,160,423



RIDDHI STEEL & TUBE PRIVATE LIMITED
 NOTE NO. 09 : TANGIBLE ASSETS:

Sr.	Particulars	Cost			Depreciation			Net Book Value			
		As at 01.04.2014	Additions	Deletions	As at 31.03.2015	Up to 31.03.2014	For the year	in respect of Assets whose useful life is over	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Factory Building	51,304,682	7,603,168		58,907,850	18,494,823	3,968,958	-	22,463,781	36,444,069	32,809,859
2	Furnitures & Fixtures	777,887	19,411		797,298	558,569	71,313	12,729	642,611	154,687	219,318
3	Plants & Machines	226,867,454	9,254,538		236,121,992	72,912,366	22,591,194	-	95,503,560	140,618,432	153,955,088
4	Cooling Set	171,000	-		171,000	72,391	13,706	-	86,097	84,903	98,609
5	Office Equipments	571,427	35,351		606,778	260,081	194,902	43,346	498,329	108,449	311,346
6	Electrical Fittings	9,700,593			9,700,593	4,870,718	1,410,261	185,091	6,466,070	3,234,523	4,829,875
7	Computer & Peripherals	572,712	336,380		909,092	461,184	275,954	12,350	749,488	159,604	111,528
8	Motor Cars	10,601,149			10,601,149	7,597,512	903,699	-	8,501,211	2,099,938	3,003,637
9	Air Conditioners	470,230	-		470,230	215,429	146,334	-	361,763	108,467	254,801
10	Scissor	391,306	-		391,306	206,050	47,855	-	253,885	137,441	185,276
11	Crane	9,664,918			9,664,918	3,605,213	842,298	-	4,447,511	5,217,407	6,059,705
12	Roll Set	3,265,279			3,265,279	1,281,710	350,014	-	1,631,724	1,633,555	1,983,569
	TOTAL.	314,358,637	17,248,848	-	331,607,485	110,536,026	30,816,468	253,516	141,606,010	190,001,475	203,822,611

NOTE NO. 09(A) : CAPITAL WORK IN PROGRESS:

Sr. No.	Particulars	Cost			Depreciation			Net Book Value			
		As at 01.04.2014	Additions	Deletions	As at 31.03.2015	Up to 31.03.2014	For the year	Deductions	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
1	Factory Building	5,758,765	456,821		6,215,586					6,215,586	5,758,765
2	Plant & Machinery	44,795,894	2,188,140	3,060,000	43,924,034					43,924,034	44,795,894
3	Office Building	-	2,597,122		2,597,122					2,597,122	
	TOTAL.	50,554,659	524,083	3,060,000	52,736,742					52,736,742	50,554,659



RIDDHI STEEL & TUBE PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE NO. 10 - INVENTORIES

Particulars	As at 31.03.2015	As at 31.03.2014
	Rupees	Rupees
Raw material	93,436,878	104,201,820
Store & Spares (Including Oil Lubricants)	2,924,813	2,728,312
Semi Finished Goods	50,998,516	38,031,706
Finished Stock (Including Scrap)	75,215,532	77,323,625
	222,575,739	222,285,463

NOTE NO. 11 - TRADE RECEIVABLES

Particulars	As at 31.03.2015	As at 31.03.2014
	Rupees	Rupees
Sundry Debtors Exceeding Six Months	-	-
Others	335,692,862	327,619,499
	335,692,862	327,619,499

NOTE NO. 12 - CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2015	As at 31.03.2014
	Rupees	Rupees
Cash on Hand:		
Cash on hand	14,522	913,522
Balances with Banks:		
On Current Account With Banks:	1,297,957	5,183,142
In Fixed Deposit	24,352,677	24,048,846
Demand Draft On Hand	-	75,483
	25,665,156	30,220,993

NOTE NO. 13 - SHORT TERM LOANS AND ADVANCES

Particulars	As at 31.03.2015	As at 31.03.2014
	Rupees	Rupees
Security Deposit (Unsecured, Considered good):		
Intec Capital Limited (FDR)	23,539,717	22,271,454
Torrent Power	2,589,565	824,767
S. E. Investment Limited (FDR)	-	-
Electricity Deposits	990,000	990,000
Other Deposits	-	742,500
Balances With Government Authority:		
Advance Tax	5,000,000	5,000,000
TDS Receivables	1,516,850	500,887
Service Tax Receivable	-	2,572,258
Income Tax	17,428,990	14,917,990
Excise Duty	10,069,248	1,617,227
Value Added Tax Receivable	381,087	103,367
Other Loans and Advances (Unsecured, Considered good):		
Advances to Suppliers	39,482,247	16,074,601
Advances for Capital Goods	4,750,834	6,024,085
Prepaid Insurance	132,466	177,015
Prepaid LC Interest	897,507	1,091,896
Prepaid Processing Charges	5,040,068	4,470,752
Trade Discount Receivable	21,108,128	8,365,643
Demerge Charge Receivable	-	53,820
Loans & Advances	59,545,001	32,795,259
	192,471,708	118,593,521



RIDDHI STEEL & TUBE PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE NO. 14 - REVENUE FROM OPERATION

Particulars	2014-15	2013-14
	Rupees	Rupees
Sale of Products:		
Net Sales (Domestic):	2,049,132,478	1,828,758,659
Net Sales (Export):	-	-
	2,049,132,478	1,828,758,659
Add:		
Excise Duty	180,016,001	136,791,930
Value Added Tax/Central Sales Tax	109,758,597	95,325,678
	2,338,907,076	2,060,876,267

NOTE NO. 15 - OTHER INCOME

Particulars	2014-15	2013-14
	Rupees	Rupees
Interest Income	10,679,271	11,503,102
Job Work Income	-	70,084
Kasar Income	43,000	-
Rate Diffrence	-	3,271
Income Tax Refund	-	237,280
Insurance Refund	46,516	-
Other Income	-	16,988
	10,768,787	11,830,725

NOTE NO. 16 - COST OF MATERIAL CONSUMED

Particulars	2014-15	2013-14
	Rupees	Rupees
Raw Material		
Opening Stock	104,201,820	43,496,604
Add: Purchase	2,065,952,575	1,880,074,159
Less: Closing Stock	93,436,878	104,201,820
	2,076,717,517	1,819,368,943
Store & Tools (Including Oil & Lubricants)		
Opening Stock	2,728,312	1,998,530
Add: Purchase	5,013,441	4,960,086
Less: Closing Stock	2,924,813	2,728,312
	4,816,940	4,230,304
	2,081,534,457	1,823,599,247



RIDDHI STEEL & TUBE PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE NO. 17 - INCREASE/(DECREASE) IN STOCK

Particulars	2014-15	2013-14
	Rupees	Rupees
Opening Stocks of Semi Finished Goods	38,031,706	30,364,090
Less: Closing Stock of Semi Finished Goods (Including Scrap)	60,408,126	38,031,706
	(22,376,420)	(7,667,616)
Opening Stocks of Finished Goods	77,323,625	105,227,496
Less: Closing Stock of Finished Goods	65,805,922	77,323,625
	11,517,703	27,903,871
	(10,858,717)	20,236,255

NOTE NO. 18 - MANUFACTURING EXPENSES

Particulars	2014-15	2013-14
	Rupees	Rupees
Manufacturing Expenses		
Demrage Charges	3,938	668,231
Loading & Unloading Charges	1,591,915	958,084
Transport Charges	5,539,268	1,740,270
Power Consumption	22,047,229	13,552,002
Wages Charges	2,556,005	2,034,520
	31,738,355	18,953,107

NOTE NO. 19 - EMPLOYEE BENEFITS EXPENSE

Particulars	2014-15	2013-14
	Rupees	Rupees
Salary and Wages	2,843,620	2,527,225
Staff Welfare Expense	25,360	633,723
Contribution to PF, EPF, ESIC, Etc.	113,164	293,541
Remuneration to Directors	2,183,400	3,950,400
	5,165,544	7,404,889

NOTE NO. 20 - FINANCIAL CHARGES

Particulars	2014-15	2013-14
	Rupees	Rupees
Interest Expenses		
Interest On Term Loan	4,086,319	3,115,333
Interest On Bank OD	32,646,463	30,819,071
Interest On LC	9,010,548	5,524,127
Interest On Depositors & Bill Discounted And Others	35,091,249	31,585,408
Other Borrowing Cost		
Bank Charges, Commission and Processing Charges	2,097,001	914,182
Termination Charges	-	676,679
I.L.C Charges	4,623,577	2,667,513
	87,555,157	75,302,313



RIDDHI STEEL & TUBE PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

NOTE NO. 21 - ADMINISTRATIVE AND SELLING EXPENSES

	Rupees	Rupees
Advertisement Expenses	99,595	28,803
Cartage Expenses	51,311	16,640
Commission On Sales	217,789	393,107
Conveyance Expenses	-	575
Consulting Charges	184,000	178,450
Central Sales Tax	981,529	937,574
Discount	755,038	
Donation	664,111	5,000
Excise Duty	13,637,822	19,498,467
General Expenses	179,925	105,744
Interest on IT, Cst, Vat, Tds & Other	262,973	-
Income Tax	-	84,010
Insurance Expenses	415,026	508,745
Lease Rent	1,224,000	1,024,000
Legal & Professional Fees	567,131	1,524,303
Labour Charges	102,410	112,195
Licence Fees	141,460	124,133
Municipal Tax	428,072	538,418
Petrol Expenses	74,059	37,284
Postage & Courier Expenses	35,503	36,438
Preliminary Expenses Written Off	-	202,001
Printing & Stationary Expenses	126,188	112,931
Professional Fees	394,848	393,624
Professional Tax	48,480	43,862
Rate Diffrence	345,322	-
Registration Fees	251,650	-
Rating Fees	83,450	35,000
Renewal Charges	-	73,223
Repair & Maintance	808,964	556,264
ROC Filling Fees	-	4,500
Round Off	(16)	2
Security Service Charges	555,765	579,880
Service Tax	100,186	95,048
Sundry Balance Written Off	(100)	151,988
Stamp Duty Expenses	361,200	790,902
Stamping Expenses	743,540	389,070
Tender Fees	5,000	-
Tax Deduct At Source	-	352,072
Telephone Expenses	180,989	264,345
Testing Fees	29,210	10,490
Transport Charges	1,649,937	2,389,309
Travelling Expenses	655,928	629,606
Value Added Tax	59,683,089	35,482,557
	86,045,384	67,710,559



22. ADDITIONAL NOTES TO FINANCIAL STATEMENTS:**22.1 CONTINGENT LIABILITIES NOT PROVIDED FOR:**

There are no contingent liabilities which are not provided for.

22.2 EARNINGS PER SHARE (EPS):

Weighted Average No. Of Equity shares. (Weighted Average is calculated on day basis)	5950252
Profit after tax for the year (Rs)	25,318,454
Earning per share (Rs.)	4.26

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

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

22.5 RELATED PARTY TRANSACTIONS:

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

Sr. No.	Name	Relation
1	Rajesh R. Mittal	Key Managerial Person
2	Preeti R. Mittal	Key Managerial Person
3	Rajat R. Mittal	Key Managerial Person
4	Shivshankar M. Agrawal	Key Managerial Person
5	Rajesh R. Mittal HUF	Relative of Key Managerial Person

Details of Related Party Transactions:

Particulars	2014-15	2013-14
Deposits Accepted/(Repaid):		
Rajesh R. Mittal	54251704	13703282
Rajesh R. Mittal	(57706823)	(7255333)
Preeti R. Mittal	122876303	117127113
Preeti R. Mittal	(146080153)	(121285826)
Rajat R. Mittal	65633522	75104920
Rajat R. Mittal	(90902270)	(55687253)
Rajesh R. Mittal HUF	7885231	-
Rajesh R. Mittal HUF	(8397701)	-
Interest:		
Rajesh R. Mittal	743625	-
Preeti R. Mittal	1365505	2301048
Rajat R. Mittal	2461795	2433330
Rajesh R. Mittal HUF	-	533672

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Remuneration		
Rajesh R. Mittal	600000	600000
Rajat R. Mittal	600000	1200000
Preeti R. Mittal	600000	1800000
Shivshankar M. Agrawal	393000	360000

22.7 LEASE:

Operating Lease Details:

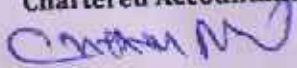
Sr. No.	Particulars	Details
1.	Land at Ahmedabad	24 th April, 2002
	Date of Lease Agreement	30 Years
	Period of Lease Agreement	5629 Sq. Mtr.
	Total Lease Rent p.a	Rs. 24000 /-
2.	Land at Hisar	16 th August, 2013
	Date of Lease Agreement	30 Years
	Period of Lease Agreement	12267 Sq. Mtr.
	Total Lease Rent p.a	Rs. 1200000 /-

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

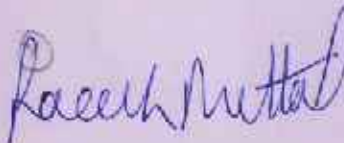
22.9 Figures have been rounded off to the nearest rupees.

SIGNATURES TO NOTES 1 TO 22
As Per Our Report of even date

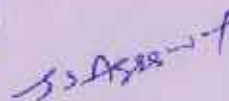
For C. P. Shah & Co.
Chartered Accountants



Chetan P. Shah
Proprietor
M. No. 31239
FRN. 109526W
Ahmedabad
Date : 01st September, 2015

Rajesh R. Mittal
Director



Shivshankar M. Agrawal
Director