



BOARD OF DIRECTORS	:	SHRI A. K. KATARIA	CHAIRMAN
		SHRI A. D. SANGHVI	MANAGING DIRECTOR
		SHRI UGAMRAJ M. HUNDIA	JOINT MANAGING DIRECTOR
		SHRI P. S. JAIN	JOINT MANAGING DIRECTOR
		SHRI ASHWIN A. KATARIA	WHOLE-TIME DIRECTOR
		SHRI CHANDRESH V. SHAH	DIRECTOR
		SHRI PAWANKUMAR R. MURARKA	DIRECTOR
		SHRI AMOL DALAL	DIRECTOR
		SHRI PUKHRAJ JAIN	DIRECTOR
		SHRI ASHISH SHAH * (* APPOINTED W.E.F. 06.06.2012)	DIRECTOR
		SHRI JITENDRA MAMTORA * (* APPOINTED W.E.F. 06.06.2012)	DIRECTOR

AUDITORS : **M/S MEHTA LODHA & CO.**
CHARTERED ACCOUNTANTS

BANKERS : UNION BANK OF INDIA
STATE BANK OF INDIA
IDBI BANK LTD.

REGISTERED OFFICE : 401-402, "FLORENCE"
OPP. ASHRAM ROAD POST OFFICE,
ASHRAM ROAD,
AHMEDABAD-380 009.

WORKS : SURVEY NO.245
VILLAGE : SARI
AHMEDABAD-BAVLA HIGHWAY
TALUKA : SANAND
DIST : AHMEDABAD
PIN CODE-382 220

**REGISTRAR AND SHARE
TRANSFER AGENTS** : M/S MCS LIMITED
101, SHATDAL COMPLEX,
1ST FLOOR,
OPP BATA SHOW ROOM,
ASHRAM ROAD,
AHMEDABAD – 380 009

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NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Wednesday the 25th September 2013 at the Atma Hall (Ahmedabad Textile Mills Association), Ashram Road, Ahmedabad - 380009 at 10.00 A.M to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2013 and the Statement of Profit and Loss for the year ended on 31st March 2013 together with Directors' and Auditor's Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri A.K Kataria who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri Pawankumar Murarka who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Shri Chandresh Shah who retires by rotation and is eligible for re-appointment.
6. To appoint the Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place : Ahmedabad
Date : 28th May 2013

A. K. Kataria
Chairman

Registered Office

401-402, "Florence",
Opp. Ashram Road Post Office,
Ashram Road,
Ahmedabad – 380 009.

NOTES

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll and that a proxy need not be a member. Proxies, in order to be effective, forms must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
2. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges, on directors' recommendation for re-appointment at the Annual General Meeting, is given in this notice.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 16th September 2013 to 20th September 2013 both days inclusive for declaration of dividend. The dividend if declared, will be paid on or after 25.09.2013.
4. Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) while attending the Meeting.
5. The Company is proposing to make payment of dividend through National Electronic Clearing System (NECS). Shareholders holding shares in physical form are therefore requested to provide details as per the enclosed form.
6. Members who hold shares in dematerialised form are requested to write their Client – ID and DP – ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication.



8. Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend and application money, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) for the financial years 2005-06 onwards, are requested to make their claims without any delay. It may be noted that the unclaimed dividend for the financial year 2005-06 declared on 29.09.2006 can be claimed by the shareholders by 28.10.2013.

9. All Documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturday between 11.00 A.M to 01.00 P.M prior to the date of AGM.
10. Members seeking any information with regard to accounts are requested to write to the company at least 10 days before the meeting so as to enable the management to keep information ready.
11. Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013, it is mandatory for the Company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/update your current bank account details with the Company/ RTA/ Depository Participant, as the case may be.
12. Details of Directors seeking re-appointment as per Item No. 3, 4 and 5 of the Ordinary Business in ensuing Annual General Meeting to be held on 25th September 2013 are as under:

Name of Directors	Shri A.K Kataria	Shri Pawankumar Murarka	Shri Chandresh Shah
Date of Birth	15.06.1942	19.12.1959	05.02.1957
Date of Appointment	19.09.1990	30.10.2003	05.12.1990
Expertise in specific functional areas	Technical & Administration	Accounts & Commercial	Accounts & Commercial
List of outside Directorship Held	NIL	1	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	1	2	1
Chairman / Member of the Committee of the Board of Directors of the other Public Limited Company	NIL	NIL	NIL
Shareholding	69000	NIL	20000
Relationship with other directors	Yes	No	No

By Order of the Board

Place: Ahmedabad
Date : 28th May 2013

A. K. Kataria
Chairman

Registered Office
401-402, "Florence",
Opp. Ashram Road Post Office,
Ashram Road,
Ahmedabad - 380 009.



DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Accounts of the company for the year ended 31st March 2013.

1. FINANCIAL HIGHLIGHTS :-

	2012-2013 (₹ In Lacs)	2011-12 (₹ In Lacs)
Income for the Year	33595.70	32960.15
Profit before interest, depreciation and tax (PBIDT)	2404.56	2365.37
Less:		
Financial Expenses	1176.44	1046.51
Depreciation	779.03	662.01
Profit / (Loss) before tax	449.09	656.85
Provision for taxation		
(i) Current Income Tax, Wealth Tax	90.01	131.53
(ii) Deferred Tax	10.79	62.94
(iii) MAT Credit Entitlement	(26.70)	(41.21)
Profit after tax	374.99	503.59
Add / (Less): Prior Period Adjustment	(6.41)	3.18
Profit available for appropriation	368.58	506.77
Appropriations		
Opening Balance of Statement of Profit & Loss	2035.78	1698.51
Less : Proposed Dividend on Equity shares	47.84	59.80
Less : Dividend Distribution Tax	8.13	9.70
Less : Transfer to General Reserve	100.00	100.00
Net Balance Carried forward to Balance Sheet.	2248.39	2035.78

2. DIVIDEND :-

The directors recommended a dividend of 8% @ ₹ 0.80 per equity share. This is however subject to the approval of shareholders at the Annual General Meeting.

3. PERFORMANCE :-

During the year under review the income has gone upto ₹ 33595.70 Lacs, an increase of 1.93% over previous year and Profit before Interest, depreciation and tax (PBIDT) has also gone up to 1.66 % over the previous year.

FUTURE PROSPECTS

Your Directors are pleased to inform you that the Company is planning to upgrade existing machineries and installing new equipped ones. By upgrading / installing these machineries the company will be able to get more production & higher realization of the final product.

GREEN ENERGY

The Company has utilized green energy generated from its wind mills. As against the electricity consumption of 9187520 units, the wind mills installed by the company have generated 4432820 units.

4. INDUSTRIAL RELATIONS :-

Industrial relations remained cordial throughout the year. Your Directors place on record their deep appreciation of the contribution made by the employees at all levels.

Measures have been taken for Human Resources Development.



5. DIRECTORS :-

Shri A.K Kataria, Shri Pawankumar Murarka and Shri Chandresh Shah retire from the Board by rotation and being eligible, offer themselves for re-appointment.

6. CORPORATE GOVERNANCE REPORT :-

Pursuant to clause 49 of the Listing Agreement of the company with the Stock Exchanges, the Management Discussion & Analysis, Report on Corporate Governance and certification by the Managing Director (CEO) confirming compliance by all the Board Members and Senior Management personnel with Company's Code of Conduct are made a part of the Annual Report. A certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance is given in Annexure - I, which is attached hereto.

7. DIRECTOR'S RESPONSIBILITY STATEMENT :-

Pursuant to requirement under section 217(2AA) of the Companies Act, 1956, with respect to Director's Responsibility Statement, it is hereby confirmed :

- a. that in the preparation of the Accounts for the financial year ended on 31st March, 2013, the applicable standards have been followed along with proper explanation relating to material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March 2013 and of the profit of the company for the year ending on that date;
- c. that the Directors have 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 ;
- d. that the Directors have prepared the accounts for the financial year ended on 31st March, 2013 on a going concern basis.

8. AUDITORS :-

M/s Mehta Lodha & Co., Chartered Accountants, retire as Auditor of the company and being eligible, offer themselves for re-appointment. A certificate is obtained from them that, their re-appointment, if made, will be within the limit prescribed under section 224(1B) of the Companies Act, 1956.

9. COST AUDITOR :-

M/s. N.D. BIRLA & CO., Cost Accountants has been re-appointed as the Cost Auditors to conduct the audit of the Cost Accounts maintained by the company for the Financial Year ended on 31st March 2014.

10. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :-

As required under section 217 (1) (e) of the Companies Act, 1956 and the rules made therein, the concerned particulars related to Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo are given, in Annexure-II, which is attached here to and forms part of the Director's Report.

11. PARTICULARS OF EMPLOYEES :-

Particulars of employees in accordance with the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended are not given as none of the employees qualify for such disclosure.

12. ACKNOWLEDGEMENT :-

The directors extend their sincere thanks to the Bankers, Financial Institutions, Central Government and State Government Authorities and all associated with the company for the co-operation.

The directors also place on record the efforts made by the employees, workers and all other associated with the company for making their organization successful.

For and on behalf of the Board

Place : Ahmedabad
Date : 28th May 2013

A. K. Kataria
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

The Management of Real Strips Limited presents its analysis report covering the performance and outlook of the company.

The demand for Cold Rolled Stainless Steel is expected to increase globally in 2013. Overall growth is anticipated to be weaker in the beginning of the year and to accelerate during the second half of 2013 as projected by market experts.

Industry Overview

The benefit of Stainless Steel is quite evident and also there is increase in awareness of the use of Stainless Steel. Apart from good demand in existing industrial use, there is a shift from using Mild Steel to using Stainless Steel. Many new areas are adding to demand, for example:- Kitchenware, Hardware, SS furniture, SS jewellery, Machinery, Pipe-wire-coil-sheet (patta-patti), Railway vendor, Building and Construction (infrastructure), Sanitary equipment (concealed plumbing for bathrooms), Dairy, Automotives, Ferro alloys and Allied.

Recently, Government has permitted usage of Stainless Steel for manufacturing of gas cylinders. Stainless Steel is also getting popular in use for construction industry for core steel and binding wires, for water tanks in high rise buildings, architectural use in airports, railway wagon and railway stations, bus stand, signage, Road Tankers, ship Containers, etc.,. The market for Stainless steel continues to improve manufacturing with greater concentration, low long term maintenance costs, less environmental impacts and greater concerns with life cycle cost being made to achieve Green Revolution.

As per capita income consumption of stainless steel in India is only 1.20 kg as against 6 kgs in China, 16 kgs in Japan and 30 kgs in Italy which shows that there are tremendous growth opportunities in India. As a Company operating in India, we are affected by the general economic conditions in the Country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust service sector. The overall economic growth will therefore impact the results of its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macro-economic growth.

Projections for 2010 to 2015 suggest a 4.2% annual growth in worldwide stainless steel demand, with growth reaching 7.7% per year for India and 6.2% per year for China during the same period.

Business Overview

We are into the business of manufacturing cold rolled stainless steel coils/strips for more than 20 years. Since inception, we have made efforts to place ourselves in a competitive position in the industry by proactively responding to our customer requirements. The Company has emerged as one of the leading manufacturers of cold rolled stainless steel coils/strips in India and caters to both the markets domestic as well as international. At present the Company has customers from Tube industry, Kitchenware industry, Pumps industry, Engineering products industry.

We want to leverage our strength in order to benefit ourselves in future so as to become the topmost player in the cold rolled stainless steel coils/strips industry. We wish to continue to supply our products to corporate houses, increase our market share in the industry, produce quality products at the competitive rates, adopt one of the best human resource practices and also secure various certifications for standards and quality improvement. We plan to boost our exports by participating in trade fairs and exhibitions all over the World.

Production Performance

The company deals in a single product, i.e. cold rolled stainless steel coils/strips. The production of the company in 2012- 2013 is 30965 MT.

Positively, in future we expect our production performance would be higher and higher as seen Industrial Growth in Gujarat and considering ample of opportunities like our plant is situated at Sanand and as seems all automobiles companies is entering in Gujarat and developing near Sanand. So looking to scenario of automobiles companies, we expect our growth rate also to be on higher side.

SWOT Analysis

Strengths :

- Large production Capacity enable faster delivers
- Timely up gradation for Technologies used
- Visible Brand equity for "Real" Brand.



- For our company maximum attrition of Customers is due to Quality as we at Real Strips believe in the best quality product for the contents of our customers.

Weakness :

- Dependency on one product
- Less Availability of skilled manpower in the industry.

Opportunities :

- Compared to international market there are very few suppliers in Stainless steel narrow width industry. As per the current market scenario the manufacturing of coils is increasing because of the shift of the manufacturers in the unorganized sector of patta/patti as the cost of production is getting higher day by day. The end user is also willing to buy the coils as it gives better productivity and output as compared to patta/patti.

So anytime we will see a boost of almost 25% in the demand of the coils as the shift of customers to coils for which the company is on the track of making itself equipped with the latest technology so as fulfill the demand that will be generated out of the new customer base.

- There are few players in the same sector in India who manufactures a range of products that we produce and no data is available openly so we cannot compare ourselves with anyone of them.
- At present the Company is unable to do more on the Export Market due to low realization of product value in International Market due to high competition from China. Although the Company was exporting in past years to many countries like Iran, Singapore, Germany, Taiwan, Korea when the Export realization was high. The Company is capable of serving International Market when international trade is in favour.
- Intrinsic technological superiority in a range of products is the strength of the company.

Threats :

- Predator and Non-Competitive Pricing.
- Changes in Government policies may adversely affect the working of the company
- Increasing Production Costs.
- Lack of professionalism in trade.

Risks and Concerns

Risk is involved in all types of business may it be trading or manufacturing. It is just the way how one tackles it.

Being a focused management we make constant efforts to lessen the same and make the best use of the resources and get the premium result out of our endeavors.

Some of the risks affecting our company are described as under.

- Strategic Risk.
- Business and Operational Risk.
- Quality Risk.
- Volatility Price Risk.
- Constant depreciation of Rupee.
- Higher Interest rates
- Raw material Securitization.

Certification

REAL STRIPS LIMITED is an **ISO 9001-2008** Certified by B.V.Q.I.

Outlook

Wind mill division :

The Company uses Green power Generation from Wind Mill. The company has its own 5 Wind Mills including recently installed of 2.10 MW in February'2013. Now, the company's total Installed capacity of windmills is 4.90 MW



(1.25MW, 0.35MW, 0.60MW (2 Mills) and 2.10MW). The generation of Units from wind mills during the year 2012-13 is 4432820 Units.

- **Internal control system and their adequacy :**

The Company has in place effective system for internal control ensuring accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with the laws and regulations. The Company has a proper and adequate system of internal control to ensure that all assets are safeguarded and protected against any loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported correctly. The Company's internal control systems are supplemented by an extensively programmed internal control conducted by an external auditor, emphasis on internal control that prevails across and ensures adequacy of the control system, adherence to management instructions and legal compliances.

- **Total Quality Management :**

The very foundation of the company's growth has been based on Total Quality Management. Pursuing restless commitment to the quality, the company is constantly innovating process and systems to deliver superior competitive capabilities. TQM is a part of everyday activity and process that the company operates.

- **Human resources :**

Your Company believes that people are its most significant resource and it endeavors to provide an environment which encourages and enables talented professionals to perform to their fullest potential. Skill gaps, if any, are identified and proper training including specialized & technical training is imparted through internal workshops as well as external agencies. Employee turnover has been remarkably low as a result of forward looking policies and your Company is confident of its ability to retain existing talent besides recruiting new talent. The Company values and understands the need for continuous growth and development of its people in order to have greater productivity and provide job satisfaction and also equip them to meet growing organizational challenges.

- **Cautionary statement :**

This report contains projections, estimates and expectations etc. which are just "forward-looking statements". Actual results could differ from those expressed or implied in this report. Important factors that may have impact on Company's operations includes economic conditions affecting demand / supply and price conditions in the domestic and overseas markets, changes in the Government regulations / policies, tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly modify or revise any forward looking statements on the basis of any future events or new information. Actual results may differ from those mentioned in the report.

ANNEXURE - II

Information under section 217 (1) (e) of the Companies Act, 1956

[A] CONSERVATION OF ENERGY:

The company has oil fired annealing furnace for annealing the stainless steel coils, whereby heat loss is reduced and higher efficiency is achieved.

The details of total energy consumption and energy consumption per unit of production is given here under :

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

		2012-13	2011-12
(a) Power & Fuel Consumption :			
(1) Electricity :-			
Unit		9187520	9779962
Total Amount	₹	64985872	65036229
Rate/ Unit	₹	7.07	6.65
(2) Own Generation :-			
{i} Through Diesel Generation Set:			
Units		16976	15616
Diesel Consumed	Ltrs.	5257	4965
Unit per/Ltrs of diesel		3.23	3.15
Diesel cost	₹	267179	231252
Cost per unit	₹	15.74	14.81
{ii} Through Wind Turbine Generator:			
Units		4432820	4273411
(3) Furnace Oil / Diesel:-			
Consumption	Ltrs.	66424	691191
Value	₹	3281592	25127091
Rate/ Unit	₹	49.40	36.35
(4) Gas (PNG):-			
Consumption	SCM	3068861	2550834
Value	₹	126687748	86068962
Rate/ Unit	₹	41.28	33.74
(b) Consumption per unit of Production:			
		(Standards if any)	
Product- S.S.Coil (Own)	M.T.	30720.156	31860.372
Product- S.S.Coil (Jobwork)	M.T.	244.884	661.454
Total Production		30965.040	32521.826
Electricity- Consumption Per M.T.	Units	297.25	301.20
Furnace Oil / Diesel- Consumption Per M.T.	Ltrs.	2.15	21.25
Gas (PNG)- Consumption per M.T.	SCM	99.11	78.43

[B] TECHNOLOGY ABSORPTION :

The company is using latest technology available.

[C] FOREIGN EXCHANGE EARNINGS :

Earnings	₹	1664792	2004780
Out Go	₹	80779681	261262198

ANNEXURE - I

REPORT ON CORPORATE GOVERNANCE

Corporate Governance ensures high standards of transparency, accountability, ethical operating practices, professional management thereby enhancing shareholders' value and protecting the interest of the stakeholders. The Company is committed to attain highest standards of Corporate Governance by ensuring integrity in financial reporting, disclosure of material information, continuous improvement of internal controls and sound investor relations. The required details on Corporate Governance are given here under :

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The basic objective of Corporate Governance Policies adopted by your Board is to ensure transparency in all dealings and the functioning of the management and the Board. The Board believes in and supports the principles of Corporate Governance. The Board represents the shareholders' interest in terms of optimization of long-term financial results. In maximizing shareholders' long-term value, the Board is responsible to all the constituents of its business i.e. customers, employees, suppliers and the communities where it operates. The Company also respects the inalienable rights of its investors and other stakeholders to information on the performance of the company based on highest professional, ethical and financial reporting standards.

2. BOARD OF DIRECTORS

The Board represents an optimum combination of executive and non executive directors and is in conformity with the provisions of Listing Agreement of Corporate Governance. The Board of Directors of your Company comprises of eleven directors. Composition of the Board and the category of the Directors as well as details of their directorship/ membership in other companies/committees is given below:

Sr. No.	Name of the Directors	Category	No. of Directorship in other companies	No. of chairmanship/ membership in Board Committees.
1	Mr. Amritlal K. Kataria	Chairman & Non-executive director	NIL	1
2	Mr. Arvindkumar Sanghvi	Managing Director	3	NIL
3	Mr. Prakashraj Jain	Joint Managing Director	1	3
4	Mr. Ugamraj Hundia	Joint Managing Director	1	NIL
5	Mr. Chandresh Shah	Independent & Non-executive director	NIL	1
6	Mr. Pukhraj Jain	Independent & Non-executive director	NIL	NIL
7	Mr. Pawankumar Murarka	Independent & Non-executive director	1	2
8	Mr. Ashwin A. Kataria	Whole Time & Executive director	NIL	NIL
9	Mr. Amol Dalal	Independent & Non-executive director	1	1
10	Mr. Ashish Shah	Independent & Non-executive director	1	NIL
11	Mr. Jitendra Mamtora	Independent & Non-executive director	2	NIL

Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships and directorships held in foreign companies, Section 25 Companies and Indian private limited companies and are based on the latest declarations received from the Directors.



The Company has a system to circulate and provide adequate information to the Board including as required under Annexure IA of Clause 49 of the Listing Agreement to enable the Board to take informed decisions.

The Compliance report of all laws applicable to the Company as prepared and compiled by the Compliance Officer is circulated to all the Directors along with the agenda and placed/reviewed in each Board Meeting.

The Board has laid down a Code of Conduct for all the Board Members and Senior Management Personnel of the Company and the same has been posted on the website of the Company.

Certificate of Code of Conduct for the year 2012-13

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. The Company has adopted a "Code of Conduct" which is applicable to all directors, officers and employees.

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Conduct under a certificate of Code of Conduct for the year 2012-13.

Ahmedabad

A. D. Sanghvi

April 15, 2013

Managing Director

A brief resume and the profile of directors retiring by rotation/ Managing Director eligible for appointment or re-appointment at the ensuing Annual General Meeting of the Company are given in the notice of Annual General Meeting, annexed to this Annual Report.

Mr. A.K Kataria, Mr. Chandresh Shah and Mr. Pawankumar Murarka are retiring by rotation in the ensuing Annual General Meeting and resolutions have been proposed for the reappointment.

Mr. Chandresh Shah and Mr. Pawankumar Murarka are not related to any of the Directors of the Company. Mr. A.K Kataria is a relative of Mr. Ashwin Kataria.

3. BOARD PROCEDURE

In the financial year 2012-13, 5 (five) meetings of Board of Directors were held, the information to be made available to the Board as per Annexure IA forming part of Clause 49 has been complied with. The Board Meetings are generally held at the Registered Office of the Company in Ahmedabad. Calendar of the Board Meeting is fixed in advance for each year. The Board meets at least once a quarter with the gap between two meetings not exceeding four months. The Directors also have access to all the information about the company and are free to recommended inclusion of any matter in the agenda for discussion.

Details of the Board Meeting held during the year are as follows:

Sr.No.	Date of Board Meeting	Chairman
1.	29 th May 2012	Shri A. K. Kataria
2.	6 th June 2012	Shri A. K. Kataria
3.	28 th July 2012	Shri A. K. Kataria
4.	30 th October 2012	Shri A. K. Kataria
5.	29 th January 2013	Shri A. K. Kataria

Details of Attendance of the directors at the Board Meetings held during the year 2012-13 and at the last Annual General Meeting are given below :

Sr. No.	Name of Directors	No. of Board Meeting held while holding the office	No. of Board Meeting attended while holding the office	Attendance at last AGM
1.	Mr. Amritlal K. Kataria	5	5	YES
2.	Mr. Arvindkumar Sanghvi	5	5	YES
3.	Mr. Prakashraj Jain	5	4	YES
4.	Mr. Ugamraj Hundia	5	5	YES
5.	Mr. Chandresh Shah	5	4	YES
6.	Mr. Pukhraj Jain	5	3	NO
7.	Mr. Pawankumar Murarka	5	4	NO
8.	Mr. Ashwin A. Kataria	5	3	YES
9.	Mr. Amol R. Dalal	5	4	NO
10.	Mr. Ashish Shah	3	3	NO
11.	Mr. Jitendra Mamtora	3	3	NO

The Details of Share holding of Directors

Sr. No.	Name of the Director	No. of shares held as on 31.03.2013
1.	Mr. Amritlal K. Kataria *	69000
2.	Mr. Arvindkumar Sanghvi	115950
3.	Mr. Prakashraj Jain	53800
4.	Mr. Ugamraj Hundia	71600
5.	Mr. Chandresh Shah *	20000
6.	Mr. Pukhraj Jain *	121400
7.	Mr. Pawankumar Murarka *	NIL
8.	Mr. Ashwin A. Kataria	75000
9.	Mr. Amol R. Dalal *	7450
10.	Mr. Ashish Shah*	NIL
11.	Mr. Jitendra Mamotra*	NIL

* Non executive Directors

4. AUDIT COMMITTEE

The Audit Committee has been entrusted to overview the accounting systems, financial reporting and internal controls of the Company. The power and role of audit committee is as set out in Listing Agreement.

As on 31st March 2013, the Audit Committee of the Board consists of the two independent Non Executive Director and one Joint Managing Director, as specified below:-

Sr. No.	Name	Designation
1.	Shri Chandresh Shah *	Chairman
2.	Shri Amol Dalal **	Chairman
3.	Shri Prakashraj Jain	Member
4.	Shri Pawankumar Murarka	Member

*Resigned as a member of Audit Committee w.e.f 06.06.2012.

**Appointed as a chairman & member w.e.f 06.06.2012

All the members of committee are financially literate and have expert knowledge of finance and accounting.

Quorum of committee is two members, including both the independent directors. Calendar of the meeting is fixed in advance for each year. The committee met four times during the year under review. The committee also met prior to finalization of accounts for the period ended on 31st March, 2013.

Meetings of Audit Committee and attendance is as under :-

Sr. No.	Date of Meetings	No. of Members	Attendance
1.	29 th May, 2012	3	3
2.	28 th July, 2012	3	3
3.	30 th October, 2012	3	3
4.	29 th January, 2013	3	3

The Internal Auditors, Head of Finance and representative of Statutory Auditors are permanent invitees at the meetings.

Audit Committee's terms of reference:

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing with management the half yearly and annual financial statements before submission to the board, focusing primarily on
 - 1) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause(2AA) of section 217 of the Companies Act, 1956
 - 2) any changes in accounting policies and practices
 - 3) major accounting entries based on exercise of judgment by management
 - 4) qualification in draft audit report
 - 5) significant adjustments arising out of audit
 - 6) the going concern assumption
 - 7) compliance with accounting standards
 - 8) compliance with stock exchange and legal requirements concerning financial statements
 - 9) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management the quarterly financial statements before submission to the board for approval.
- e) Reviewing with the management, external and internal auditors and the adequacy of internal control systems and ensuing compliance therewith.
- f) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- g) Discussing with internal auditors any significant finding and follow up thereon.
- h) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i) Discussing with external auditors before the audit commences, as nature and scope of audit as well as having post-audit discussion to ascertain any area of concern.
- j) Reviewing the Company's financial and risk management policies.
- k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) Any other function(s)/responsibilities as may be delegated by the Board from time to time.

- m) To review mandatorily the following information
1. Management discussion and analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by management;
 3. Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 4. Internal audit reports relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

5. REMUNERATION COMMITTEE

As on 31st March 2013, the Remuneration Committee of the Board consists of the two Independent & Non Executive Director and one Executive Director as specified below :-

Sr. No.	Name	Designation
1.	Shri Chandresh Shah	Chairman
2.	Shri Pawankumar Murarka	Member
3.	Shri Prakashraj Jain	Member

During the year under review, there was no necessity to convene any meeting of the Remuneration Committee. The Remuneration Committee is responsible for determining and reviewing all matters in respect of remuneration of directors.

The Company has credible and transparent policy in determining and accounting for the remuneration of Executive Directors. Their remuneration is governed by external competitive environment, track record, potential, individual performance and performance of the Company as well as industrial standards. The remuneration determined for the Executive Directors is subject to the approval of Remuneration Committee of the Board of Directors.

At present the Company does not have the policy of payment of remuneration to non executive directors except by way of sitting fees for attending the meeting of the Board or a committee thereof.

Details of remuneration to all the Directors are as under:

i) Non-Executive Directors :

The details of sitting fees paid to Non-Executive Directors during the financial year 2012-13 are as under:

Sr. No.	Name of Director	Sitting Fees paid to Directors (₹)
1.	Shri A. K. Kataria	10000
2.	Shri Amol Dalal	8000
3.	Shri Chandresh Shah	8000
4.	Shri Pawankumar Murarka	8000
5.	Shri Pukhraj S. Jain	6000
6.	Shri Ashish Shah	6000
7.	Shri Jitendra Mamtora	6000
	TOTAL	52000

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-a-vis the Company.

ii) Executive Directors:

The appointment of Managing Director, Joint Managing Director and Whole Time Director is governed by resolutions passed by the Board of Directors and shareholders of the Company. Remuneration paid to Managing Director, Joint Managing Director and Whole Time Director is recommended by the Remuneration Committee, approved by the Board and is within the limit set by shareholders at the General Meeting.

Details of remuneration paid to Managing Director, Joint Managing Director and Whole Time Director during the financial year 2012-13 is as under: (₹)

Sr. No.	Name	Salary	Perquisites & Allowances	Bonus	Commission
1.	Shri Arvindkumar D Sanghvi	480000.00	NIL	NIL	NIL
2.	Shri Prakashraj Jain	480000.00	NIL	NIL	NIL
3.	Shri Ugamraj Hundia	480000.00	NIL	NIL	NIL
4.	Shri Ashwin Kataria	480000.00	NIL	NIL	NIL
	TOTAL	1920000.00			

As per the terms of appointment of Managing Director, Joint Managing Director and Whole Time Director, their contract of service is for the period of five years from the date of appointment. Either party to the contract can terminate the contract as mutually agreed.

The Company does not have any Employees' Stock Option Scheme and there is no separate provision for payment of Severance Fees.

6. SHAREHOLDERS GRIEVANCES COMMITTEE

The committee looks into the redressal of shareholders and investor complaints. The function and power of this committee include review and redressal of shareholders' and investors grievances and to give approval to transfer, transmission or dematerialisation of shares. This committee looks into the complaints of non receipt of Balance Sheet, non receipt of declared dividend and matter relating to Duplicate share certificate, deletion of name, splitting and consolidation of shares etc.

As on 31st March 2013, the committee consists of following directors :-

- Shri Amritlal K. Kataria - Chairman
- Shri Prakashraj Jain - Member

The committee meeting was held 4 times during the Year 2012-13 on 31.07.2012, 16.08.2012, 11.03.2013 and 20.03.2013.

The total number of complaints / correspondence / queries received and replied to the satisfaction of shareholders during the year under review are as follows.

Sr. No.	Particulars	Nos recd	Nos Replied
1.	Dividend Related	6	6
2.	Endorsement/Change of Address / Misc	6	6
3.	Share Transfer Requests	4	4
4.	Dematerialisation / Remat Requests	14	14

In General, all correspondence / queries are replied to the satisfaction of shareholders.

7. GENERAL BODY MEETING

The last three Annual General Meeting of the Company were held as under:

Sr. No.	Year	Location	Date	Time	Special approval	Resolution
1	2011-12	Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad	22.09.12	10.30 a.m	-Appointment of Director u/s 260 of the Companies Act, 1956	Ordinary Resolution
2	2010-11	Palki Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge, Ahmedabad	24.09.11	5.00 p.m	-Appointment of Director u/s 257 of the Companies Act, 1956- -Alteration of Article of Association	Special Resolution

Sr. No.	Year	Location	Date	Time	Special approval	Resolution
3.	2009-10	Chanakya Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge, Ahmedabad	25.09.10	5.00p.m	-Authorised the Board to borrow money in excess of Limit provided U/S 293 (1) (d)	Ordinary Resolution

No extraordinary General Meeting was held during last 3 years.

8. DISCLOSURES

- There has been no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Audit Committee reviews periodically significant related party transactions i.e. transactions of the company, which are of material nature, with its directors, or relatives or the management that may have potential conflict with the interest of the Company at large. Details are provided in Note 2.29 in Significant Accounting Policies forming part of the Accounts in accordance with the provisions of Accounting Standard 18.
- There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- The Company has generally complied with all the mandatory requirements as specified in the revised Clause 49 to the extent they apply and extend to the company.
- In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements has been set out in Significant Accounting Policies forming part of the financial statements.
- The Company has laid down procedure to inform the Board Members about the risk assessment and minimization procedure covering the entire gamut of business operations of the company and the same have been reviewed by the Board during the year.
- The CEO (Managing Director) and the CFO have furnished a Certificate to the Board for the year ended on 31st March 2013 in compliance with the revised Clause 49 V of the Listing Agreement as amended.
- The designated Senior Management Personnel of the company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

9. MEANS OF COMMUNICATIONS

a. Quarterly Results:

Quarterly results are taken on record by the Board of Directors and submitted to the Stock Exchanges as per requirement of the Listing Agreement. At present Half yearly report is not sent to shareholders.

b. Newspapers wherein results are normally published:

The quarterly results are normally published in the leading English Dailies like "The Economic Times", "The Business Standard" and Vernacular Dailies like "Economic Times (Gujarati)", "Jansatta", Published from Ahmedabad.

c. Any Website where displayed: www.realstrips.com

10. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report is part of Annual Report.

11. GENERAL SHAREHOLDERS INFORMATION

(a) Annual General Meeting

Date	Time	Venue
25 th September 2013	10:00 A.M	Atma Hall (Ahmedabad Textile Mills Association), Ashram Road, Ahmedabad - 380009



(b) **Financial Calendar(2013-14)**
(tentative)

Annual General Meeting	:	In the month of September, 2014
Quarterly Results		
Quarter ending on June 30, 2013		Last Week of July, 2013
Quarter ending on September 30, 2013	:	Last Week of October, 2013
Quarter ending on December 31, 2013	:	Last Week of January, 2014
Annual Result of 2013-14	:	Last Week of May, 2014

(c) **Book Closure Date** : 16th September, 2013 to 20th September, 2013.
(Both days inclusive)

(d) **Dividend Payment Date** : Within 30 Days of Declaration.

(e) **Listing on Stock Exchanges** : Bombay Stock Exchange Ltd.

Listing fees have been paid for the year 2013-14 as per the Listing Agreement with the respective Stock Exchanges.

(f) **Stock Code** : BSE, Mumbai 513558

(g) **Demate ISIN Number for NSDL & CDSL** : INE183B01014

(h) **Market Price Data :**

Market price data at the Stock Exchange, Mumbai for the year 2012-13 is given below:

Month	Highest (₹)	Lowest (₹)
April 2012	175.00	123.15
May 2012	161.50	125.50
June 2012	155.00	119.20
July 2012	145.90	60.80
August 2012	87.90	57.30
September 2012	65.80	57.50
October 2012	62.95	55.00
November 2012	65.85	50.10
December 2012	71.70	52.10
January 2013	68.00	50.00
February 2013	61.00	42.15
March 2013	50.40	42.65

Registrar and Transfer Agents : M/s MCS Limited
101, Shatdal Complex, 1st Floor,
Opp Bata Show Room, Ashram Road,
Ahmedabad – 380 009

Contact Person : Mr. Balasubramaniam/Mr. Jagdish Patel

Contact Telephone Nos : (079)26582880, 26584027

Mobile No. : 09327055153/09898737835

(i) **Share Transfer System:**

MCS Limited has been acting as the Depository Registrar for establishing connectivity with NSDL and CDSL for Demat Segment and for physical segment as well with effect from 1st April, 2003. MCS Limited uses computerized

share transfer system for processing transfer of shares. On the basis of periodic report on various requests received from the shareholders, share transfer and other requests are placed for approval of Shareholders' Grievances Committee. The Company obtains from Mr. Ashwin Shah, Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

The Company's representatives visit the office of the Registrar and Share Transfer Agents from time to time to monitor, supervise and ensure that there are no delays or lapse in the system.

(j) Distribution of Shareholding:

- Distribution of shareholding as on 31.03.2013 is given below:

No. of Equity Shares held	Number of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
1 - 5000	2124	94.78	689212	11.53
5001 - 10000	33	1.47	242235	4.05
10001 - 20000	27	1.21	380011	6.36
20001- 30000	7	0.31	172975	2.89
30001- 40000	11	0.49	398900	6.67
40001- 50000	5	0.22	229847	3.84
50001-100000	21	0.94	1512271	25.29
100001 & above	13	0.58	2354549	39.37
GRAND TOTAL	2241	100.00	5980000	100.00
Physical Mode	892	39.80	162450	2.72
Electronic Mode	1349	60.20	5817550	97.28

- **Category of shareholders as on 31st March 2013:**

Category	No. of Shares Held	Percentage Held
Promoter Holding		
(a) Indian Promoters	310350	5.19
(b) Foreign Promoters	NIL	NIL
(c) Persons Acting in Concert	2660391	44.49
Financial Institutions/ Banks/ Mutual Funds	NIL	NIL
Resident Individuals & Corporates	2965183	49.58
NRI's / OCB	44076	0.74
Grand Total	5980000	100.00

(k) Dematerialization of Shares and Liquidity:

58,17,550 equity shares representing 97.28% of the total Equity Capital of the Company are held in a dematerialised form with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) as on 31st March 2013.

The Secretarial Audit Report from Mr. Ashwin Shah, Company Secretary in practice confirming that the total issued capital of the Company is in aggregate with the total number of equity shares in physical form and the total number of dematerialized equity shares held with NSDL and CDSL is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the stock exchanges where the equity shares of the Company are listed.

(l) Corporate Benefits to Shareholders:

a. Dividend declared for the last seven years

Financial Year	Dividend Declaration Date	Dividend per equity share (₹)	Dividend Rate (%)	Face Value per equity share (₹)	Dividend per preference share (₹)	Dividend Rate (%)	Face Value per preference share (₹)
2005-06	29.09.2006	1	10	10	0.05	0.5	10
2006-07	24.09.2007	1	10	10	-	-	-
2007-08	25.09.2008	1	10	10	-	-	-
2009-10	25.09.2010	1	10	10	-	-	-
2010-11	24.09.2011	1	10	10	-	-	-
2011-12	22.09.2012	1	10	10	-	-	-

b. Transfer of Unclaimed amounts to Investor's Education and Protection Fund

All unclaimed/unpaid dividend amount up to financial year 2004-2005 have been transferred to Investors Education & Protection Fund and no claim will lie against the Company or the funds in respect of the unclaimed amount so transferred.

(m) Outstanding GDRs/ ADRs/ Warrants and Convertible instruments, conversion date and likely impact on equity : Not Applicable.

(n) Plant Location :

Survey No.-245,
Village – Sari, Taluka – Sanand,
Ahmedabad-Bavla Highway,
Dist. - Ahmedabad, Pincode – 382 220
Contact Telephone No – (02714) 233096, 233097
Fax No : (02714) 232746
Email ID : works@realstrips.com

Correspondence with the Company:

Address for correspondence with the Company is:

Mr. Ramcharan Beriwal

Real Strips Limited

401-402 "Florence" Opp. Ashram Road Post Office

Ashram Road

Ahmedabad – 380 009

Contact Telephone No – (079) 26580455, 26588788, 26581833

Fax No – (079) 26581073, 40068261

Website : www.realstrips.com

Email ID : ramcharan@realstrips.com; info@realstrips.com



CEO / CFO CERTIFICATE TO WHOMSOEVER IT MAY CONCERN

We certify to the Board that:

- (a) We have reviewed the financial statement and the cash flow statement of **Real Strips Limited** for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit Committee:-
 - (i) significant changes in internal control during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system.

For Real Strips Limited

Date: 28th May 2013
Place: Ahmedabad

Ramcharan Beriwala
Chief Finance Officer

Shri Arvind Sanghvi
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Real Strips Limited
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by **Real Strips Limited ("the Company")**, for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

FOR, MEHTA LODHA & CO.
(FIRM REGN. NO: 106250W)
CHARTERED ACCOUNTANTS

PLACE: AHMEDABAD
DATE: 28th May 2013.

PRAKASH D. SHAH
PARTNER
M. No. 34363



INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
REAL STRIPS LIMITED,

Report on the Financial Statements

We have audited the accompanying financial statements of **REAL STRIPS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) 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;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement broadly comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR, MEHTA LODHA & CO.
(FIRM REGN. NO: 106250W)
CHARTERED ACCOUNTANTS

PRAKASH D. SHAH
PARTNER
M. No. 34363

PLACE: AHMEDABAD
DATE: 28th May 2013.

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date of Real Strips Limited)

- (1) (a) The company has maintained records showing full particulars including quantitative details and situation of Fixed assets.
 - (b) As informed to us, a substantial portion of the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - (c) Fixed assets disposed off during the year were not substantial and therefor do not affect the going concern assumption.
- (2) (a) As informed to us, during the year the management has conducted physical verification of the inventories and in our opinion the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are broadly reasonable and adequate having regard to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (3) (a) As informed to us, the company has not taken any unsecured loan from the Companies, Firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956.
 - (b) As informed to us, the company has not given loans to the Companies, Firms and other parties listed in the register maintained under section 301 of the Companies Act.
- (4) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchases of inventory and fixed assets and for 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) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956, have been so entered.
 - (b) In respect of transactions with parties with whom transactions exceeding value of ₹ 5 Lacs have been entered into during the financial year, are at the prices which are reasonable having regard to the prevailing market prices at the relevant time, except in case of transactions where we are unable to comment owing to the unique and specialized nature of the items and absence of any comparable prices, whether the transactions are made at the prevailing market prices at the relevant time or not.
- (6) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA and any other relevant provisions of the Act and the rules framed there under.
- (7) The company has an internal audit system commensurate with the nature and size of the business. *However there is scope to enlarge and strengthen the same.*
- (8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (9) (a) According to the records of the Company, 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 material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty and cess were in arrears as at 31st March, 2013 for a period of more than six months from the date they become payable.

- (c) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31st March, 2013 other than those stated below :

Name of the Statute	Nature of dues	₹ in Lacs	Period to which the amount relates	Forum where dispute is pending (Hon'ble)
Central Excise Act, 1944 Customs Act, 1962 Finance Act, 1994 (Co-Applicant)	Penalty	1.00	2003-04	CESTAT, Mumbai
Central Excise Act, 1944	Service Tax (Penalty)	1.35	2008-09	Gujarat High Court
Central Excise Act, 1944	Service Tax (Penalty)	0.02	2009-10	Gujarat High Court
Central Excise Act, 1944	Service Tax (Penalty)	1.59	2010-11	CESTAT, Ahmedabad
Central Excise Act, 1944	Service Tax (Duty)	7.42	2011-12	Commissioner (Appeals-I), Central Excise, Ahmedabad
Central Excise Act, 1944	Excise Duty	14.55	2012-13	Settlement Commission Mumbai

- (10) In our opinion and on the basis of accounts, read with notes to accounts, there are no accumulated losses of the Company at the end of financial year and the Company has not incurred cash loss in the current financial year and in immediately preceding financial year.
- (11) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution or bank.
- (12) We are of the opinion, that the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society and therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (14) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments and accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (15) According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions and accordingly the provision of clause 4(xv) of the Companies (Auditor's Report) Order, 2003 is not applicable to the Company.
- (16) According to the Cash Flow Statement and other records examined by us as well as information and explanations given to us on overall basis, term loan taken by the company has been utilized for the purpose for which they were raised.
- (17) According to the Cash Flow Statement and other records examined by us as well as information and explanations given to us on an overall basis, we report that funds raised on short term basis have not prima-facie been used for long term investment, though surplus funds which were not required for immediate utilization have been gainfully invested in liquid investments payable on demand.
- (18) The Company has not made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (19) The company has not issued any debentures and accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (20) During the year, the company has not raised any money through a public issue and accordingly the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (21) During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR, MEHTA LODHA & CO.
(FIRM REGN. NO: 106250W)
CHARTERED ACCOUNTANTS

PRAKASH D. SHAH
PARTNER
M. No. 34363

PLACE: AHMEDABAD
DATE: 28th May, 2013.

BALANCE SHEET AS AT 31st MARCH 2013

Sr. No.	PARTICULARS	Note No.	As at 31 st March 2013 ₹	As at 31 st March 2012 ₹
	EQUITY AND LIABILITIES			
	<i>Shareholders' funds</i>			
(a)	Share Capital	2.01	59,750,000	59,750,000
(b)	Reserves & Surplus	2.02	410,039,427	378,777,969
	<i>Non - Current liabilities</i>			
(a)	Long Term Borrowings	2.03	152,068,696	112,571,519
(b)	Deferred Tax Liability (Net)	2.04	32,989,100	31,910,100
(c)	Other Long Term Liabilities	2.05	770,572	770,572
	<i>Current liabilities</i>			
(a)	Short-term borrowings	2.06	1,321,508,393	1,146,209,289
(b)	Trade Payables	2.07	39,509,838	60,092,464
(c)	Other current liabilities	2.08	108,432,640	70,442,537
(d)	Short Term Provisions	2.09	7,902,862	8,940,439
	TOTAL		2,132,971,528	1,869,464,889
	ASSETS			
	<i>Non-current Assets</i>			
(a)	Fixed Assets			
(i)	Tangible Assets	2.10	511,200,178	472,206,399
(ii)	Intangible Assets	2.10	957,038	283,104
(iii)	Capital work-in-progress	2.10	21,199,641	313,290
(b)	Non-current Investments	2.11	330,370	330,370
(c)	Long-term loans and advances	2.12	875,330	845,577
(d)	Other Non-Current Assets	2.13	74,981	134,961
	<i>Current Assets</i>			
(a)	Inventories	2.14	402,009,574	378,469,112
(b)	Trade Receivables	2.15	1,023,129,423	944,361,851
(c)	Cash and Bank Balances	2.16	61,272,983	49,715,823
(d)	Short-term loans and advances	2.17	109,008,540	21,295,702
(e)	Other Current assets	2.18	2,913,470	1,508,700
	TOTAL		2,132,971,528	1,869,464,889

Significant Accounting Policies 1

Notes to Accounts 2

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date attached

Prakash D. Shah
Member Ship No 34363
Partner
For & on behalf of
Mehta Lodha & Co.
Firm Registration No: 106250W
Chartered Accountants

Place: Ahmedabad
Date: 28th May, 2013

For & on behalf of the Board of Directors
of Real Strips Limited

A. K. KATARIA	CHAIRMAN
ARVIND D. SANGHVI	MANAGING DIRECTOR
PRAKASHRAJ S. JAIN	JOINT MANAGING DIRECTOR
UGAMRAJ M. HUNDIA	JOINT MANAGING DIRECTOR
RAMCHARAN N. BERIWALA	CHIEF FINANCE OFFICER

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

Sr. No.	PARTICULARS	Note No.	As at 31 st March 2013 ₹		As at 31 st March 2012 ₹	
A	Continuing Operations Income					
	Revenue from operations (Gross)	2.19	3,702,666,223		3,601,923,971	
	Less : Excise duty		402,288,966	3,300,377,257	339,022,801	3,262,901,170
	Other Income	2.20		59,192,765		33,113,700
	Total Revenue			3,359,570,022		3,296,014,870
B	Expenditure					
	Cost of Raw Materials Consumed - Hot Rolled Stainless Strips/Coils			2,630,717,582		2,741,854,981
	Changes in Inventories of Finished Goods and Work-in-Progress	2.21		101,711,229		(45,387,293)
	Employee Benefits Expense	2.22		59,779,805		58,189,661
	Finance Costs	2.23		117,644,081		104,651,566
	Depreciation and amortization expense	2.10		77,902,702		66,200,604
	Other Expenses	2.24		326,845,232		304,760,201
	Preliminary Expenses Written off			59,980		59,980
	Total Expenses			3,314,660,611		3,230,329,700
	Profit before Tax (A-B)			44,909,411		65,685,170
	Tax Expenses					
	Current Tax			8,980,000		13,142,000
	Less: MAT Credit Entitlement			(2,670,230)		(4,120,842)
	Short Provision of Tax for earlier year			641,142		714,154
	Wealth tax			21,000		11,000
	Deferred Tax			1,079,000		6,294,000
	Profit for the year from continuing operation carried to Balance sheet			36,858,499		49,644,858
	Add/(Less) : Prior Period Adjustment	2.25		-		1,032,367
	Profit for the year from continuing operation carried to Balance sheet			36,858,499		50,677,225
	Earnings per equity share of Face Value ₹ 10 each:	2.26		6.16		8.47
	Basic and diluted (In ₹)					

Significant Accounting Policies 1

Notes to Accounts 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

Prakash D. Shah
Member Ship No 34363
Partner
For & on behalf of
Mehta Lodha & Co.
Firm Registration No: 106250W
Chartered Accountants

Place: Ahmedabad
Date: 28th May, 2013

For & on behalf of the Board of Directors
of Real Strips Limited

A. K. KATARIA CHAIRMAN
ARVIND D. SANGHVI MANAGING DIRECTOR
PRAKASHRAJ S. JAIN JOINT MANAGING DIRECTOR
UGAMRAJ M. HUNDIA JOINT MANAGING DIRECTOR
RAMCHARAN N. BERIWALA CHIEF FINANCE OFFICER



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2013

PARTICULARS	Year Ended 31 st March 2013 ₹	Year Ended 31 st March 2012 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax & Extra-ordinary Items	44,909,411	65,685,170
Adjusted for		
- Depreciation	77,902,702	66,200,604
- Profit on sale of fixed assets (net)	(9,999,587)	(5,786)
- Financial Expenses	117,644,081	104,651,566
- Interest Income	(10,463,916)	(7,283,066)
- Dividend Income'	(8,072)	(8,072)
- Preliminary and Public issue expenses written off	59,980	59,980
Operating profit before working capital charges :	<u>175,135,188</u>	<u>163,615,226</u>
Changes in:-		
- Trade & others receivables	(80,172,342)	(172,784,777)
- Inventories	(23,540,462)	(6,873,482)
- Long Term Loans & Advances	(29,753)	4,274,152
- Short Term Loans & Advances	(84,586,554)	8,889,924
- Trade Payables	(20,582,626)	(60,920,672)
- Other Current Liabilities	37,548,918	19,604,888
- Short Term Provisions	305,488	374,891
- Other Non Current Liabilities	-	439,685
Cash generated from operations :	<u>48,987,268</u>	<u>22,305,005</u>
- Direct taxes paid/payable	(10,088,196)	(23,453,366)
Cash flow before extra-ordinary items :	<u>38,899,072</u>	<u>(1,148,361)</u>
Extra-ordinary items-Prior period adjustment	-	1,032,367
NET CASH FROM OPERATING ACTIVITIES (A)	<u>38,899,072</u>	<u>(115,994)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets and change in Capital Work in Progress	(159,793,179)	(71,526,156)
Sale of fixed assets	31,336,000	12,000
Dividend Income	8,072	8,072
Investments in bank deposits (having original maturity of more than three months)	(9,736,548)	(3,957,994)
NET CASH USED IN INVESTING ACTIVITIES (B)	<u>(138,185,655)</u>	<u>(75,464,078)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital	-	1,500
Proceeds from Long Term Borrowings	39,497,177	23,204,333
Proceeds from Short Term Borrowings	175,299,104	153,933,459
Financial Expenses paid	(117,202,896)	(100,843,935)
Interest Income	10,463,916	7,283,066
Dividend and Dividend Tax Paid	(6,950,106)	(6,950,106)
NET CASH USED IN FINANCING ACTIVITIES (C)	<u>101,107,195</u>	<u>76,628,317</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	<u>1,820,612</u>	<u>1,048,245</u>
OPENING CASH & CASH EQUIVALENTS	5,084,468	4,036,223
CLOSING CASH & CASH EQUIVALENTS	<u>6,905,080</u>	<u>5,084,468</u>

Notes:

(1) Figures in brackets indicates outflows.

(2) The figures of the previous year have been regrouped and rearranged wherever necessary.

As per our report of even date attached

Prakash D Shah
Member Ship No 34363
Partner
For & on behalf of
Mehta Lodha & Co.
Firm Registration No: 106250W
Chartered Accountants

Place: Ahmedabad
Date: 28th May, 2013

**For & on behalf of the Board of Directors
of Real Strips Limited**

A. K. KATARIA	CHAIRMAN
ARVIND D. SANGHVI	MANAGING DIRECTOR
PRAKASHRAJ S. JAIN	JOINT MANAGING DIRECTOR
UGAMRAJ M. HUNDIA	JOINT MANAGING DIRECTOR
RAMCHARAN N. BERIWALA	CHIEF FINANCE OFFICER



NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31ST MARCH 2013

Corporate Information

Real Strips Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in manufacturing of Cold Rolled Stainless Strips/coils. Its shares are listed on Bombay Stock Exchange in India.

1.01 Basis of Preparation of Financial Statements

The Financial Statements are prepared to comply in all material respects with the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis in accordance with the generally accepted accounting principles in India.

1.02 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets & liabilities and disclosures of contingent liabilities at the date of financial statements and the results of operation during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/materialised.

1.03 Tangible Assets :

- a) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes non refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective assets.
- b) All the preoperative expenditure including interest on borrowing for the project/ item, incurred on capital work in progress or on fixed assets upto the date of installation of the individual item as taken by the company is capitalized and added on pro-rata basis to the cost of respective fixed Assets.

1.04 Intangible Assets :

An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably.

1.05 Borrowing Costs:

Borrowing Costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. Exchange difference arising from foreign currency term loan borrowing beyond adjustment to interest cost is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

1.06 Impairment of Assets:

- a) The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the assets is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.
- b) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

1.07 Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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

1.08 Leases:

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as a Capital assets till the assets are not put to use.



1.09 Deferred Revenue Expenses And Public Issue Expenses:

Public Issue Expenses and Preliminary expenses are amortized over a period of 5 years.

1.10 Depreciation:

The company provides depreciation on Straight Line method on (a) Plant and Machinery and (b) Vehicles, whereas on (a) Building (b) Furniture and Fixtures and (c) computer, depreciation is provided on Written Down Value Method, at the rates and manner specified in Schedule XIV of the Companies Act, 1956.

1.11 Inventories :

Raw materials, Work in Progress and finished goods are valued at lower of cost or net realisable value. Stores & spare parts are stated at cost. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'First-in-First-Out method'.

1.12 Revenue Recognition

- a) Revenue from operations (gross) represents the amounts receivable for goods and services sold including excise duty thereon and forfeiture of sales advances, but excludes VAT/CST, trade discounts & other taxes, adjustments for late delivery charges and material returned/rejected.
- b) Interest income is recognized on time proportion basis taking into account the amounts outstanding and the rates applicable.
- c) Dividend is recognized when the Company's right to receive dividend is established by the balance sheet date.
- d) Revenue from windmill is recognised on unit generation basis.

1.13 Raw Material Consumption :

Raw Material Consumed includes interest expenses for late payment to suppliers.

1.14 Excise / Custom Duties:

Excise Duty on manufactured goods remaining in the inventory is included as a part of valuation of finished goods. The customs duty on raw materials, stores, spares & components is accounted on clearance thereof.

1.15 Foreign Currency Transactions :

- (a) Foreign currency transaction are accounted at the exchange rate prevailing on the date of transaction. Monetary items related to foreign currency transaction remaining unsettled at the end of the year are translated at year end rates. Any exchange gain or loss arising out of the subsequent fluctuation are accounted for in the Statement of Profit and Loss.
- (b) In respect of forward contracts assigned to the foreign currency assets/liabilities as at Balance Sheet date, the proportionate premium/discount for the period up to the date of Balance sheet is recognized in the Statement of Profit and Loss. The exchange difference measured by the exchange rate between the inception of the forward contract and agreed contracted rate is applied on foreign currency amount of the forward contract.

1.16 Treatment Of Retirement Benefits :

Company contributes to group gratuity policy with SBI Life Insurance as per actuarial valuation as on the Balance Sheet date for future payment of Gratuity to employees. Company's contributions paid/payable during the year to Provident Fund are charged to the Statement of Profit & Loss. Privilege leave is accounted for on accrual basis.

1.17 Taxation:

Income-tax expense comprises current tax and deferred tax charge or credit. Tax on income for the current period is determined on financial year basis computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessment/appeal.

Minimum Alternative Tax (MAT) paid in accordance to the tax laws, which gives rise to the future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset as MAT Credit Entitlement in the balancesheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

1.18 Deferred Taxation:

The deferred tax charge or credit is recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is reasonable certainty of realisation in future. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date based on development during the year and available case laws, to reassess realisation/liabilities.



1.19 Investment:

Investments are stated at cost. Diminution in the value, if any, which is of permanent nature is provided for.

1.20 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.21 Cash Flow Statement

Cash flow statement is prepared using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated based on the available information.

1.22 General

Accounting policies not specifically referred to are consistent with generally accepted accounting policies.

NOTE 2 : NOTES TO ACCOUNTS

2.01 SHARE CAPITAL

a Authorised, Issued, Subscribed and Paid- Up Capital :

PARTICULARS	As at 31 st March 2013 (Amt In ₹)		As at 31 st March 2012 (Amt In ₹)	
Authorised				
80,00,000 (80,00,000) Equity Shares of ₹ 10/- each		80,000,000		80,000,000
5,00,000 (5,00,000) Preference Shares of ₹ 10/- each		5,000,000		5,000,000
Issued, Subscribed & Paid up				
59,80,000 (59,80,000) Equity Shares of ₹ 10 each	59,800,000		59,800,000	
Less : Call in Arrears-Other than Directors	(50,000)	59,750,000	(50,000)	59,750,000
Total		59,750,000		59,750,000

b A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting Year.

PARTICULARS	Equity Shares As at 31 st March 2013 Numbers	Equity Shares As at 31 st March 2012 Numbers
	Shares outstanding at the beginning of the Year	5,980,000
Add: Shares issued by Conversion of Warrants	-	-
Less: Shares bought back / Redemption etc.	-	-
Shares outstanding at the end of the Year	5,980,000	5,980,000

c Rights, preference and restriction attached to Equity Shares

The company has only one class of equity shares having a face value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pay dividends in Indian rupees. The proposed dividend recommended by the Board of Directors is subject to the approval of the Shareholders.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d There were no shares reserved at the year-end for issue under options and contracts / commitments for the sale of shares / disinvestment.



e Shares Holders' holding more than 5% of the Shares

Name of Shareholder	Equity Shares As at 31 st March 2013		Equity Shares As at 31 st March 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Raajratna Stock Holding Ltd	315,800	5.28	315,800	5.28
Ascendum Systems Pvt Ltd	300,000	5.02	300,000	5.02

f Aggregate number of Bonus Shares issued, shares issued for consideration other than Cash and Shares Bought back during the Period of five Years immediately preceding the reporting date.

NIL

g The Company have calls in arrears / unpaid calls of ₹ 50,000/- (P.Y ₹ 50,000/-) and has not forfeited any shares at balance sheet date.

2.02 RESERVES & SURPLUS

PARTICULARS	As at 31 st March 2013 (Amt In ₹)		As at 31 st March 2012 (Amt In ₹)	
(A) Capital Reserve				
Government Subsidy				
As per Last Balance Sheet Date		1,500,000		1,500,000
(B) Share Premium Account				
As per Last Balance Sheet Date		108,700,000		108,700,000
(C) General Reserve				
As per Last Balance Sheet Date	65,000,000		55,000,000	
Add: Transfer From Profit & Loss Account	10,000,000	75,000,000	10,000,000	65,000,000
(D) Surplus/ (Deficit) in the Statement of Profit and Loss				
As per Last Balance Sheet Date	203,577,969		169,850,850	
Add: Profit for the year	36,858,499		50,677,225	
Less: Transfer to General Reserve	10,000,000		10,000,000	
Less: Proposed Dividend on Equity Shares	4,784,000		5,980,000	
Less: Dividend Distribution Tax	813,041	224,839,427	970,106	203,577,969
Total		410,039,427		378,777,969

2.03 LONG TERM BORROWINGS

PARTICULARS	As at 31 st March 2013 (Amt In ₹)		As at 31 st March 2012 (Amt In ₹)	
	Non- Current	Current	Non- Current	Current
Secured				
Term Loans from Bank				
- Rupee Term Loan-[Note No.1(a)]	85,680,000	12,299,940	4,799,940	10,132,500
- Foreign Currency Term Loan-[Note No.1(a)]	38,388,696	18,945,774	63,000,000	17,455,313
- Corporate Loan-[Note No.1(b)]	28,000,000	16,000,000	44,000,000	6,000,000
	152,068,696	47,245,714	111,799,940	33,587,813
Hire Purchase Finance for Vehicles (Note No.2)	-	771,579	771,579	2,406,866
Total	152,068,696	48,017,293	112,571,519	35,994,679

**Notes:-**

- 1) (a) Term Loan (including Foreign Currency Term Loan) from State Bank of India are secured by way of First charge on Fixed Assets of the company, movable and/or immovable, present or future situated at Survey No.244, 245 and 247 at : Village : Sari, Taluka : Sanand, District : Ahmedabad (Gujarat) and office situated at 401-402, "Florence" Opp.Ashram Road P.O., Ashram Road, Ahmedabad - 380 009 and Wind Mill situated at Ukhrala (Dist.Bhavnagar), Gujarat and further said loans are also secured by personal guarantees of some of the Directors of the Company.
- (b) Corporate Loan from Union Bank of India is Secured by way of Second Charge on Fixed Assets of the company and personal guarantees of some of the Directors of the Company.
- 2) Hire purchase finance is secured by Hypothecation of Vehicles financed and personal guarantees of some of the Directors of the Company.

(Amt In ₹)

Maturity Profile	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Long Term Loan From Bank	44,000,000	40,000,000	28,000,000	40,068,696

2.04 DEFERRED TAX LIABILITY (NET)

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Deferred Tax Liability (Related to Fixed Assets)	32,989,100	31,910,100
Total	32,989,100	31,910,100

2.05 OTHER LONG - TERM LIABILITIES

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Advance Received Against Order	770,572	770,572
Total	770,572	770,572

2.06 SHORT TERM BORROWINGS

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Secured		
Working Capital Facilities from Banks (Note No.1)	635,919,567	546,287,831
Buyers Credit	-	88,789,094
Letter of Credit	538,840,415	279,203,068
Subtotal	1,174,759,982	914,279,993
Unsecured		
Deposits/ Loans from -Body Corporates		
Related Parties	-	37,227
Others	101,000,000	134,799,212
Letter of Credit	45,748,411	97,092,857
Sub total	146,748,411	231,929,296
Total	1,321,508,393	1,146,209,289

**Note :**

- 1) Working Capital facilities from Union Bank of India and State Bank of India are secured by way of hypothecation of Inventories, Book debts and personal guarantees of some of the Directors of the Company and further said loan is also secured by way of second charge on Fixed Assets of the Company.

2.07 TRADE PAYABLES

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
- Others	39,509,838	60,092,464
Total	39,509,838	60,092,464

As per Information available on Company's records, no amount was due to Micro Small and Medium Enterprises as defined under the MSMED Act, 2006 and hence, disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this Act and as required by Schedule VI of the Companies Act, 1956 is not given.

2.08 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Unclaimed Dividend #	601,755	620,510
Current Maturity on Long terms Borrowings	48,017,293	35,994,679
Interest Accrued & due on Borrowings	3,511,348	3,012,897
Interest Accrued but not due on Borrowings	737,468	794,734
Creditors for Capital expenditure	21,694,487	8,062,422
Advance Received Against Order	17,092,151	4,594,842
Other Liabilities		
Provident Fund & Other Contribution	354,786	325,957
Tax Deducted and Collected at Source	1,169,318	1,420,212
Entry Tax, VAT and CST Payable	7,091,855	11,087,690
Excise Duty on Finished Goods	8,162,179	4,528,594
Total	108,432,640	70,442,537

These figures do not include any amounts, due and outstanding, to be credited to Investor Education and Protection Fund.

2.09 SHORT TERM PROVISIONS

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Provision for Leave Encashment	2,284,821	1,979,333
Provision for Wealth Tax	21,000	11,000
Proposed Dividend	4,784,000	5,980,000
Dividend Distribution Tax Payable	813,041	970,106
Total	7,902,862	8,940,439

2.10 FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01/04/2012	ADDITION	DEDUCTION	AS AT 31/03/2013	AS AT 01/04/2012	FOR THE YEAR	DEDUCTION	AS AT 31/03/2013	AS AT 31/03/2013	AS AT 31/03/2012
TANGIBLE ASSETS:										
Own Assets:										
Freehold Land	21,912,296	-	20,968,350	943,946	-	-	-	-	943,946	21,912,296
Building	137,822,833	3,498,631	-	141,321,464	44,152,493	9,098,843	-	53,251,336	88,070,128	93,670,340
Plant and Machinery	737,669,550	133,526,012	-	871,195,562	395,474,321	66,677,760	-	462,152,081	409,043,481	342,195,229
Office Equipments	702,755	-	-	702,755	449,979	45,752	-	495,731	207,024	252,776
Furnitures & Fixture	11,023,720	69,409	-	11,093,129	7,211,032	695,432	-	7,906,464	3,186,665	3,812,688
Computer	2,009,392	434,590	-	2,443,982	1,741,679	110,419	-	1,852,098	591,884	267,713
Vehicles	12,246,898	590,147	500,915	12,336,130	2,151,541	1,160,391	132,852	3,179,080	9,157,050	10,095,357
Total (A)	923,387,444	138,118,789	21,469,265	1,040,036,968	451,181,045	77,788,597	132,852	528,836,790	511,200,178	472,206,399
INTANGIBLE ASSETS:										
Software	303,385	788,039	-	1,091,424	20,281	114,105	-	134,386	957,038	283,104
Total (B)	303,385	788,039	-	1,091,424	20,281	114,105	-	134,386	957,038	283,104
Total (A+B)	923,690,829	138,906,828	21,469,265	1,041,128,392	451,201,326	77,902,702	132,852	528,971,176	512,157,216	472,489,503
Previous Year	728,629,132	195,107,864	46,167	923,690,829	385,040,675	66,200,604	39,953	451,201,326	472,489,503	343,588,457
Capital Work in Progress*									21,199,641	313,290

*Capital Work in Progress includes capital goods in transit, if any.

2.11 NON CURRENT INVESTMENTS

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Investment in Equity Instruments (Quoted)		
1009 (P.Y 1009) Equity Share of Union Bank of India of ₹ 10/- each	110,990	110,990
Investment in Mutual Funds(Quoted)		
20000 (P.Y 20000) units of SBI Infrastructure Fund of ₹ 10/- each	200,000	200,000
Other Investments		
Silver	19,380	19,380
(Market Value of Quoted Investments ₹ 369,407/- (P.Y. ₹ 393,719/-))		
Total	330,370	330,370

There were no Current Investment and Associate investment during the year of the company.

2.12 LONG TERM LOANS & ADVANCES

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Unsecured & Considered Good		
Security Deposits	875,330	845,577
Total	875,330	845,577

2.13 OTHER NON - CURRENT ASSETS

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Preliminary Expenses (to the extent not written off or adjusted)	74,981	134,961
Total	74,981	134,961

2.14 INVENTORIES

PARTICULARS (As valued, verified & certified by the Management)	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
a. Raw Material [includes goods-in-transit ₹ 45,282,487/- (Previous year ₹ 19,165,306/-)]	168,979,137	52,067,421
b. Work In Process	118,965,457	253,708,201
c. Finished Goods	74,199,222	41,167,707
d. Stores and Spares [includes goods-in-transit ₹ 23,061/- (Previous year ₹ 259,254/-)]	39,865,758	31,525,783
Total	402,009,574	378,469,112

2.15 TRADE RECEIVABLES

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Unsecured & Considered doubtful		
- Over Six Months	4,527,529	3,305,675
Unsecured & Considered good		
- Over Six Months	68,084,286	46,651,554
- Others	950,517,608	894,404,622
Total	1,023,129,423	944,361,851

2.16 CASH AND BANK BALANCES

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
a. Cash & Cash Equivalents		
- Balance in Current Account	846,947	4,295,601
- Unclaimed Dividend Account	601,755	620,510
- Cash on Hand	456,378	168,357
- Deposits with original maturity of less than or equal to 3 months*	5,000,000	-
	<u>6,905,080</u>	<u>5,084,468</u>
b. Other Bank Balances		
- Deposits with original maturity of more than 3 months but less than or equal to 12 months*	9,510,815	13,872,719
- Deposits with original maturity of more than 12 months*	44,857,088	30,758,636
	<u>54,367,903</u>	<u>44,631,355</u>
Total	61,272,983	49,715,823

* The amount of fixed deposits with banks are subject to Bank's lien.

2.17 SHORT TERM LOANS & ADVANCES

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Unsecured & Considered Good		
Advance Recoverable In Cash or Kind*	52,273,280	4,405,737
Advance for Capital Goods	4,405,860	1,202,110
Others		
Prepaid Expenses	2,719,332	2,319,715
Advances to Staff	439,618	285,687
Balance with Statutory/Government Authorities	41,690,563	5,008,868
MAT Credit Entitlement	6,791,073	4,120,843
Advance Income Tax (Net of Provision)	688,814	3,952,742
Total	109,008,540	21,295,702

*Includes advance for Raw material and others.

2.18 OTHER CURRENT ASSETS

PARTICULARS	As at 31 st March 2013 (Amt In ₹)	As at 31 st March 2012 (Amt In ₹)
Interest Accrued and Due	2,913,470	1,508,700
Total	2,913,470	1,508,700

2.19 REVENUE FROM OPERATIONS

PARTICULARS	2012-13 (Amt In ₹)		2011-12 (Amt In ₹)	
Sale of Cold Rolled Stainless Strips/Coils	3,700,622,006		3,593,156,548	
Less: Excise Duty	402,288,966	3,298,333,040	339,022,801	3,254,133,747
Job Work Income		2,044,217		8,767,423
Total		3,300,377,257		3,262,901,170

2.20 OTHER INCOME

PARTICULARS	2012-13 (Amt In ₹)		2011-12 (Amt In ₹)	
Power Generation Income from windmill (including claims)		38,640,950		25,743,787
Interest Income				
-Fixed Deposits	5,072,523		3,804,640	
-Others	5,391,393	10,463,916	3,478,426	7,283,066
Dividend Income from Long Term Investment		8,072		8,072
Duty Draw Back & Import Claim		80,240		72,989
Profit on sale of Fixed Assets (Net)		9,999,587		5,786
Total		59,192,765		33,113,700

2.21 CHANGES IN INVENTORIES OF FINISHED GOODS & WORK - IN - PROGRESS

PARTICULARS	2012-13 (Amt In ₹)		2011-12 (Amt In ₹)	
	Inventories (At year end)			
- Finished Goods - Cold Rolled Stainless Strips/Coils	74,199,222		41,167,707	
- Work In Process - Semi Finished Cold Rolled Stainless Strips/Coils	118,965,457	193,164,679	253,708,201	294,875,908
Inventories (At Commencement)				
- Finished Goods - Cold Rolled Stainless Strips/Coils	41,167,707		27,609,433	
- Work In Process - Semi Finished Cold Rolled Stainless Strips/Coils	253,708,201	294,875,908	221,879,182	249,488,615
Total		101,711,229		(45,387,293)

2.22 EMPLOYEE BENEFITS EXPENSE

PARTICULARS	2012-13 (Amt In ₹)		2011-12 (Amt In ₹)	
	Salaries, Wages and Allowances and Bonus	56,048,794		53,607,496
Contribution to Provident and other funds	1,926,459		1,759,681	
Staff Welfare and amenities	1,804,552		2,822,484	
Total	59,779,805		58,189,661	

2.23 FINANCE COSTS

PARTICULARS	2012-13 (Amt In ₹)		2011-12 (Amt In ₹)	
	Interest Expenses			
- Term Loan	17,266,292		13,702,194	
- Bank & Other Loan	80,905,038	98,171,330	80,206,766	93,908,960
Other Borrowing Cost & Charges		16,429,770		14,360,035
Loss on foreign currency transactions and translation		4,065,903		1,187,813
Less: Interest Capitalized		(1,022,922)		(4,805,242)
Total		117,644,081		104,651,566

2.24 OTHER EXPENSES

PARTICULARS	2012-13 (Amt In ₹)		2011-12 (Amt In ₹)	
	Manufacturing Expenses			
Power and Fuel	195,222,391		176,463,534	
Stores and Spares	81,787,323		79,745,431	
Job Charges	1,208,343		2,688,749	
Freight and Octroi	579,611		777,666	
Testing Charges	40,210		70,407	
Machinery Repairs	4,059,013		3,524,421	
Building Repairs	610,708		82,343	

2.24 OTHER EXPENSES [Conted...]

PARTICULARS	2012-13 (Amt In ₹)		2011-12 (Amt In ₹)	
Vehicle & Other Repairs	1,123,806		577,535	
Excise duty*	3,633,584		1,950,379	
Effluent Treatment Expense	6,417,057	294,682,046	5,221,992	271,102,457
Establishment/ Administrative Expenses				
Rates and Taxes	265,180		101,270	
Directors' Sitting Fees	52,000		42,000	
Insurance Premium	3,390,483		3,099,765	
(Includes Keyman insurance payment of - ₹ 2005340/- P.Y. ₹ 2005340/-)				
Postage, Telegram & Telephone Expenses	576,405		648,117	
Conveyance Expenses	88,735		104,973	
Traveling Expenses	940,337		998,304	
Printing and Stationery	556,197		594,199	
Vehicle Expenses	1,444,777		1,340,769	
Auditors' Remuneration:				
- Audit Fees	250,000		250,000	
- Tax Audit Fees	30,000		30,000	
- Other Matters	85,000		45,000	
Legal and Professional Charges	1,547,833		654,862	
General Expenses#	2,128,853		2,194,263	
Donation	195,780		75,725	
Advertisement	168,203		165,308	
Wind Mill Expenses@	4,024,979		4,474,629	
Foreign Exchange Fluctuation	8,668,222	24,412,984	10,189,017	25,008,201
Selling & Distribution Expenses				
Commission on sales	5,497,711		4,187,621	
Freight and Forwarding Outward & Other Expenses	2,252,491	7,750,202	4,461,922	8,649,543
Total		326,845,232		304,760,201

* Excise Duty shown under expenditure represents the aggregate of excise duty borne by the Company and difference between excise duty on opening and closing stock of finished goods

General Charges includes Office electricity Expense, Several Charges paid for services received and maintainance expenses.

@ It includes lease rent paid for windmill.

2.25 PRIOR PERIOD ADJUSTMENT

PARTICULARS	2012-13 (Amt In ₹)	2011-12 (Amt In ₹)
Interest Income	-	1,032,367
Total	-	1,032,367

2.26 EARNING PER SHARE (EPS)

PARTICULARS	2012-13 (Amt In ₹)	2011-12 (Amt In ₹)
Net profit after tax attributable to equity shareholders (Amt. In ₹)	36,858,499	50,677,225
Weighted Average number of equity shares used as denominator for calculating EPS	5,980,000	5,980,000
Basic and Diluted Earnings per share (₹)	6.16	8.47
Face Value per equity share (₹)	10	10

Additional Information

2.27 As per Accounting Standard 15 "Employee Benefit", the disclosures as defined in the Accounting Standard are given below

(₹ In Lacs)

a)	Defined contribution to Provident Fund	Current Year	Previous Year
	Company contribution to Provident Fund	5.45	4.91
	Company contribution to Pension Fund	11.51	10.56
b)	Defined Benefit Plans - Gratuity (Funded)		
a)	Assets recognised in the Balance Sheet		
i)	Present Value of obligation at the beginning of the Period	29.09	24.38
	Current Service Cost	6.14	5.28
	Interest Cost	0.97	1.95
	Actuarial (Gain)/Loss	3.00	(2.52)
	Benefit Paid	-	-
	Present Value of obligation as at year end	39.21	29.09
	Less:		
ii)	Fair Value of Plan Assets at the beginning of the Period	38.76	25.85
	Expected return on Plan Assets	3.32	2.07
	Actuarial gain/(loss)	0.33	0.39
	Employers' Contribution	5.59	10.45
	Benefit Paid	-	-
	Fair Value of Plan Assets as at year end	48.00	38.76
	Amount recognised in the Balance Sheet	-	-
b)	Expenses during the year		
	Service Cost	6.14	5.28
	Interest Cost	0.97	1.95
	Expected return on Plan assets	(3.32)	(2.07)
	Actuarial (Gain)/Loss	2.67	(2.90)
	Total	6.46	2.25
c)	Actual Return on plan assets	3.66	2.46
d)	Break up of Plan Assets as a percentage of total Plan Assets (Percentage or Value)		
	Insurer managed Funds	100%	100%
e)	Principal actuarial assumptions		
	Rate of Discounting	8.00%	8.00%
	Expected return on Plan Assets	8.00%	8.00%
	Rate of increase in Salaries	5.00%	5.00%
	Attrition Rate	5.00%	2.00%

2.28 The company is contingently liable for the followings:-

- Bills discounted and reduced from debtors of ₹ 302.83 Lacs (Previous Year ₹ 275.03 Lacs).
- Letter of credit issued by the bank of ₹ 5.27 Lacs (Previous Year ₹ 2.91 Lacs)



- (c) Bank Guarantee of ₹ 292.92 Lacs (Previous Year ₹ 232.76 Lacs)
- (d) Estimated amount of contracts remaining to be executed on capital account and not provided are ₹ 10.00 Lacs (Previous Year ₹ Nil)
- (e) Disputed statutory Claims/levies for which the company has preferred appeal : (including Interest and penalty) of ₹ 25.93 Lacs (Previous Year ₹ Nil)

2.29 As required by Accounting Standard -AS 18 "Related Parties Disclosures" issued by the Institute of Chartered Accountants of India, the details as identified by the Company on the basis of information with the company, are as follows :

(A) Particulars of Associates

Name of the Related Parties	Nature of Relationship
(i) Raajratna Metal Industries Ltd.	Associate Company
(ii) Raajratna Stock Holdings Pvt.Ltd.	Associate Company
(iii) Raajratna Ventures Pvt. Ltd	Associate Company
(iv) Garuda Overseas.	Associate Firm

(B) Key Management Personnel

Name of the Related Parties	Nature of Relationship
(i) Mr.A.K. Kataria	Chairman
(ii) Mr.Arvindkumar D. Sanghvi	Managing Director
(iii) Mr.Ugamraj M. Hundia	Joint Managing Director
(iv) Mr.Prakashraj S. Jain	Joint Managing Director
(v) Mr.Pukhraj S. Jain	Director
(vi) Mr.Chandresh V. Shah	Director
(vii) Mr.Ashwin A. Kataria	Director
(viii) Mr.Amol R. Dalal	Director
(ix) Mr.Pawankumar R. Murarka	Director
(x) Mr. Ashish Shah	Director(Appointed w.e.f. 06.06.2012)
(xi) Mr. Jitendra Mamtara	Director(Appointed w.e.f. 06.06.2012)
(xii) Mr. Deepak U. Hundia (Son of Mr. Ugamraj M. Hundia)	General Manager
(xiii) Mr. Romitraj P. Jain (Son of Mr. Prakashraj S. Jain)	General Manager(Marketing)

(C) Transactions with Associates :

	Current Year Amount (₹ in Lacs)	Previous Year Amount (₹ in Lacs)
(i) Sale of Finished Goods		
- Raajratna Metal Industries Ltd.	0.39	0.50
- Raajratna Ventures Ltd.	568.03	469.36
(ii) Purchase of DEPB		
- Raajratna Metal Industries Ltd.	0.00	62.48
(iii) Unsecured Loan repaid		
- Raajratna Stock Holding Pvt. Ltd.	0.00	105.13
(iv) Interest Payment		
- Raajratna Stock Holding Pvt. Ltd.	0.00	0.37
(v) Purchases of Gift Articles		
- Garuda Overseas	1.27	1.24
(vi) Purchases of Raw Materials		
- Raajratna Ventures Ltd.	0.00	176.72

(C) Transactions with Associates [Conted...]

(vii) Job Work Income		
- Raajratna Ventures Ltd.	2.08	6.69
(viii) Dividend	29.97	29.56

(D) Details of Transactions with Key Management Personnel

(i) Remuneration to Director		
- Mr. Arvind D.Sanghvi	4.80	4.80
- Mr. Prakashraj S.Jain	4.80	4.80
- Mr. Ugamraj M. Hundia	4.80	4.80
- Mr. Ashwin A. Kataria	4.80	4.80
(ii) Salary		
- Mr. Deepak U.Hundia	8.23	7.04
- Mr. Romitraj P. Jain	8.73	7.53
(iii) Director Meeting Fees		
- Mr. A.K.Kataria	0.10	0.12
- Mr. Amol R.Dalal	0.08	0.08
- Mr.Chandresh V. Shah	0.08	0.08
- Mr.Pawankumar R. Murarka	0.08	0.08
- Mr. Pukhraj S.Jain	0.06	0.06
- Mr. Ashish Shah	0.06	0.00
- Mr. Jitendra Mamtora	0.06	0.00

(E) Outstanding Payable as at year end

(i) Remuneration to Director		
- Mr. Arvind D.Sanghvi	0.38	0.38
- Mr. Prakashraj S.Jain	0.37	0.36
- Mr. Ugamraj M. Hundia	0.38	0.36
- Mr. Ashwin A. Kataria	0.38	0.36
(ii) Salary		
- Mr. Deepak U.Hundia	0.49	0.32
- Mr. Romitraj P. Jain	0.52	0.29

2.30 Segment Reporting:

The Company is engaged in manufacturing of single product i.e.Cold Rolled Stainless Strips/coils, and does not have other reportable Segment identifiable in accordance with Accounting Standard (AS)-17,issued by the Institute of Chartered Accountants of India.

2.31 Deferred Tax Liability/(Assets) at the year end comprise timing difference on account of :

(Amount in ₹)

Deferred Tax Liabilities:-

Depreciation	1,079,000	6,294,000
	<u>1,079,000</u>	<u>6,294,000</u>

2.32 Additional information pursuant to the provisions of paragraph 3 & 4 (c) (d) of part II of schedule VI of the Companies Act, 1956. To the extent applicable and certified by the management.

i) C.I.F.Value of Import		2012-13	2011-12
		(Amount in ₹)	(Amount in ₹)
- Raw Materials	₹	74,804,659	251,500,340



ii) Earning in Foreign Exchange		2012-13 (Amount in ₹)		2011-12 (Amount in ₹)
- F.O.B. Value of Export (Realised)	₹	1,664,792		2,004,780
iii) Expenditure in Foreign Currency (on Payment Basis)		2012-13 (Amount in ₹)		2011-12 (Amount in ₹)
- Capital Expenditure	₹	-		3,006,574
- Revenue Expenditure	₹	-		4,197,188
- Interest	₹	5,870,296		2,182,917
- Travelling	₹	104,726		375,179
iv) Composition of Raw Material and Stores and spares		2012-13		2011-12
	% of Consumption	₹	% of Consumption	₹
(a) Raw Material				
- Imported	3.05	80,134,118	9.84	269,724,826
- Indigenous	96.95	2,550,583,464	90.16	2,472,130,155
	100.00	2,630,717,582	100.00	2,741,854,981
(b) Stores and Spare Parts	% of Consumption	₹	% of Consumption	₹
- Indigenous	100	81,787,323	100	79,745,431

2.33 The Company has determined Pre-operative Expenditure (including borrowing cost) of ₹ 23,24,622/- (Previous Year ₹ 150,09,687/-) and the same have been allocated towards the respective fixed assets.

2.34 (a) In the opinion of the Board of Directors, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of the business. There is no contingent liability other than stated above and provisions for all known liabilities are adequate. Some of accounts of trade payables, trade receivables and loans & advances including squared up accounts are subject to confirmation from the respective parties and necessary adjustments and/or proper classification thereof, if any, will be made on its reconciliation and/or settlement.

(b) In the opinion of the company, the doubtful trade receivables will be recovered and therefore, its provision has not been made.

(c) The company is in the process to fill the post of Company Secretary.

2.35 The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

As per our report of even date attached

Prakash D Shah
Member Ship No 34363
Partner
For & on behalf of
Mehta Lodha & Co.
Firm Registration No: 106250W
Chartered Accountants

Place: Ahmedabad
Date: 28th May, 2013

For & on behalf of the Board of Directors
of Real Strips Limited

A. K. KATARIA	CHAIRMAN
ARVIND D. SANGHVI	MANAGING DIRECTOR
PRAKASHRAJ S. JAIN	JOINT MANAGING DIRECTOR
UGAMRAJ M. HUNDIA	JOINT MANAGING DIRECTOR
RAMCHARAN N. BERIWALA	CHIEF FINANCE OFFICER

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REALSTRIPS LTD.

Registered Office : 401-402, "Florence", Opp. Ashram Road Post Office, Ashram Road, Ahmedabad - 380 009.

NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORM

Dear Investor,

As the COMPANY INTENDS TO PAY DIVIDEND THROUGH NECS, for that you are requested to give the details as required and send it to our R & T M/s MCS Limited, Ahmedabad.

FOR REAL STRIPS LTD.

AUTHORIZED SIGNATORY

To
The Branch Manager
MCS Limited
Unit: Real Strips Limited
101, Shatdal Complex, 1st floor,
Opp. Bata Show Room
Ashram Road, Ahmedabad 380 009
Contact No: (079) 2658-1296, 2658-2878

Dear Sir,

FORM FOR NATIONAL ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

Please fill-in, the information in CAPITAL LETTERS and in ENGLISH ONLY

For shares held in physical form

FOR OFFICE USE ONLY

NECS REF. NO : _____

Master Folio No:

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For shares held in electronic form:

DP ID:

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Client ID:

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Name of Sole/First Holder

Bank Name & Branch

MICR Code

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(9 Digits Code Number appearing on the MICR Band of the cheque supplied by the Bank.) Please attach a Xerox copy of a cheque or a duly cancelled cheque for ensuring accuracy of the bank name, Branch name & code number)

Account type

Saving

Current

C.C.

(Please tick)

Account No. (as appearing in the cheque book)

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Effective date of this mandate (DD/MM/YY)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

I, hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incompleteness of information supplied as above, the company/its registrar viz. M/s MCS Limited will not be held responsible. I agree to avail the ECS facility provided by RBI, as and when implemented by RBI/Real Strips Limited.

I, further undertake to inform the Company any change in the Bank/Branch and account number. I further agree not to hold the Company responsible for any delay in ECS in transit to credit my entitlement for Dividend. I also agree and understand that the decision of the Company regarding implementation/non-implementation of ECS shall be final and binding on me.

Place : _____

Date : _____

(Signature of Sole/First Holder)

- Whenever the shares in the given folio are entirely dematerialized, then ECS mandate form will stand rescinded.
- For shares held in dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form on Wednesday, 25th September, 2013 at 10.00 A.M. at-Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad-380 009.

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REALSTRIPS LTD.

Registered Office : 401-402, "Florence", Opp. Ashram Road Post Office, Ashram Road, Ahmedabad - 380 009.

Dear Shareholders,

The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices /documents (including notice calling Extra Ordinary/Annual General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report etc) to their shareholders through electronic mode, to the registered e- mail addresses of the shareholders.

Shareholders can contribute to the Corporate Social Responsibility initiative of the Company. All you have to do is to register your e-mail id with the Company to receive communication through electronic mode.

Benefits of receiving e-communications:

- Receive communication promptly
- Ease of permanent storage of e-documents
- Reduce paper consumption and save trees
- Avoid loss of document in postal transit
- Save costs on paper and postage

Kindly note that if you still wish to get a hard copy/physical copy of all the communications, the Company undertakes to provide the same at no extra cost to you. Those shareholders who are not opting for e-mail registration will continue to receive physical copies of documents mentioned in the letter.

In case of Shares held in Demat form

For Shareholders holding shares in Demat form, the Company will send documents in electronic form to Email ID of the shareholders registered with depository. All shareholders are requested to ensure that registered Email Id with the depository should be current and updated to receive notices / documents electronically.

In case of Shares held in Physical form

Shareholders having shares in physical form should provide their Email ID to the Company's Registrar for opting to receive notices / documents electronically. To Register the E-mail ID with the company shareholders holding shares in physical form are requested to submit the following Form duly filled & signed by the shareholders.

Company is inviting registration of e-mail IDs of shareholders, in the format given below with a request to send the same to our Registrar at the following address.

Registrar & Share Transfer Agents
MCSLIMITED
 (Unit: Real Strips Limited)
 101, SHATDAL COMPLEX, 1ST FLOOR, OPP BATA SHOW ROOM, ASHRAM ROAD,
 AHMEDABAD – 380 009 PHONE: 26582880, 26584027 MOBILE: 09327055153

Name of Shareholder(s)* : _____

Folio No.* : _____

No. of Share held as on Date* : _____

E-mail ID (Permanent)* : _____

E-mail ID (Alternative) : _____

Contact No. (Mobile) : _____

Signature of Shareholder(s) : (1) _____

(2) _____

(3) _____

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REALSTRIPS LTD.

Registered Office : 401-402, "Florence", Opp. Ashram Road Post Office, Ashram Road, Ahmedabad - 380 009.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. JOINT HOLDERS MAY TAKE ADDITIONAL SLIP ON REQUEST. (FOLIO NO., DP ID*, CLIENT ID* & NAME OF THE SHAREHOLDER/ JOINT HOLDERS/ PROXY IN BLOCK LETTERS IS TO BE FURNISHED BELOW.)

Shareholder's Name	DP ID*	Client ID*	Folio	No. of shares held
Proxy's Name				

I hereby record my presence at this **22nd ANNUAL GENERAL MEETING** of the company to be held on Wednesday, 25th September 2013 at 10.00 A.M. at - Atma Hall (Ahmedabad Textile Mills Associations) Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof.

Signature of the Shareholder or Proxy _____

- Notes:
1. Only Shareholder of the company or their Proxies will be allowed to attend the Meeting.
 2. Shareholders/Proxy holders are requested to bring the Attendance Slip with them when they come to the Meeting and hand it over at the entrance after affixing their signature on it.
 3. Shareholders are requested to advice, indicating their Folio Nos. DPID*, Client ID*, the change in their address, if any, to the Registrar & Share Transfer Agents, M/s MCS Limited, 101, Shatdal Complex, 1st Floor, Opp Bata Show Room, Ashram Road, Ahmedabad - 380 009.
- * Applicable for the investors holding their shares in Electronic (Demat) Form.



REALSTRIPS LTD.

Registered Office : 401-402, "Florence", Opp. Ashram Road Post Office, Ashram Road, Ahmedabad - 380 009.

(Folio No., DP ID*, Client ID* & Name of the Shareholder/ Joint holders/ Proxy IN BLOCK LETTERS is to be furnished below.)

PROXY FORM

DP ID*	Client ID*	Folio	No. of shares held

I/We _____ of _____

In the District of _____ being a Member/ Members of **REAL STRIPS LIMITED**, hereby appoint _____ of _____

_____ in the District of _____

or failing of the said _____ or _____ in

the District of _____ or failing of the said _____

of _____ in the District of _____ as my

/our proxy to vote for me/us on my/our behalf at the **22nd ANNUAL GENERAL MEETING** of the company to be

held on Wednesday, 25th September 2013 at 10.00 A.M. at - Atma Hall (Ahmedabad Textile Mills Associations)

Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

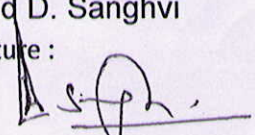
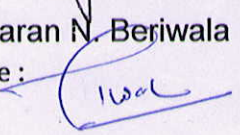
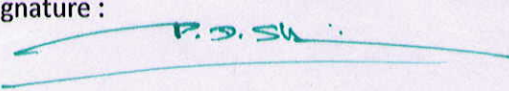
Signature of the said _____

Affix
Revenue
Stamp
here

Note: The Proxy must be deposited at the registered office of the Company not less than 48 hours before the time for holding of the aforesaid meeting.

* Applicable for the investors holding their shares in Electronic (Demat) Form.

FORM A

1	Name of the company	Real Strips Limited
2	Annual financial statements for the year ended	31 st March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	Not Applicable
5	To be signed by-	
1	CEO/Managing Director	Arvind D. Sanghvi Signature : 
2	CFO	Ramcharan N. Beriwal Signature : 
3	Auditor of the company	M/s.Mehta Lodha & Co. Signature : 
4	Audit Committee Chairman	Amol Dalal Signature : 