

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 (PBITD)	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 (PBITD) 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

(a) Power & Fuel Consumption :		2012-13	2011-12
(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 Mamtara	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.