

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of the Company will be held on Saturday the 14th day of September, 2013 at 11:30 A.M. at Sunville Deluxe Pavilion, Sunville Building, 9 Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account for the 18 (eighteen) months ended 31st March, 2013 together with the Report of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Mishra who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Ashok Khasgiwala who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting up to the conclusion of Next Annual General Meeting of the Company and to fix their remuneration.

By Order of the Board

Date : 9th August, 2013
Place : Indore

CS Shyam Sunder Agrawal
Company Secretary

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. A BLANK PROXY FORM IS ENCLOSED AND IF INTENDED TO BE USED IT SHOULD BE RETURNED DULY COMPLETED TO THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE GENERAL MEETING.
2. The relevant details as required by Clause 49 of the Listing Agreement, of persons seeking appointment/ re-appointment as Directors are also annexed.
3. Register of Members and Share Transfer Books of the Company will remain closed from 10th September, 2013 to 14th September, 2013 (both days inclusive).
4. Members who attend the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.
5. The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.
6. The annual accounts of the subsidiary company and the related detailed information shall be made available to shareholders of the holding company i.e. Ruchi Strips And Alloys Limited on demand. The accounts of the subsidiary company shall also be available for inspection by any shareholder at the registered office of the Company and of the wholly owned subsidiary company.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the company electronically.

Details of Directors seeking re-appointment at the Annual General Meeting

Particulars	Mr. Arvind Mishra	Mr. Ashok Khasgiwala
Date of Birth	01/07/1960	11/11/1955
Qualifications	B.E. (Mech.)	B.Sc., MA, DCMA & FCA
Directorships held in other Public Companies (excluding foreign Companies and Section 25 Companies)	- Steel Technologies India Limited - RSAL Steel Private Limited	NIL
Memberships / Chairmanships of Committees of other Public Companies (includes only Audit Committee and Shareholders / Investors Grievance Committee)	Audit Committee - RSAL Steel Private Limited	NIL
Number of Shares held in Company	NIL	NIL

Registered Office :
611, Tulsiani Chambers,
Nariman Point,
Mumbai - 400 021
Maharashtra

By order of the Board
For Ruchi Strips & Alloys Limited

Place : Indore
Date : 9th August, 2013

CS Shyam Sunder Agrawal
Company Secretary

DIRECTORS' REPORT

To,
The Members

Your Directors have pleasure in presenting 25th Annual Report together with Audited Statement of Accounts of the Company for the year ended 31st March, 2013.

1. OPERATIONAL PERFORMANCE	[` in lacs]	[` in lacs]
Financial Results	31.03.2013 (18 Months)	30.09.2011 (18 Months)
Sales & Other Income	55478.03	101549.61
Gross Profit / (Loss)	922.46	3995.68
Depreciation and Financial Charges	693.01	2341.09
Profit / (Loss) before Tax	229.45	1654.59
Provision for Tax	45.91	329.77
Deferred Tax (Assets) / Liabilities	64.59	401.27
Profit / (Loss) after Tax	118.95	923.55
Exceptional Items	-	335.04
Profit after exceptional Items	118.95	1258.59

After transferring the Steel Division of the Company to its wholly owned subsidiary company namely, RSAL Steel Private Limited on 30th March, 2011, your Company is engaged only in trading activities of various products including steel and agro commodities. Your Company recorded a turnover of ` 55327.08 Lacs for the eighteen months ended 31st March, 2013 and net profit of ` 118.95 Lacs. As the previous year's figures include the turnover from manufacturing activities which was transferred to subsidiary company hence, the same is not comparable with the figures of current year. However, the Company is exploring various other business opportunities.

SUBSIDIARY COMPANY

The Company is having a wholly owned subsidiary company viz RSAL Steel Private Limited which is engaged in manufacturing and trading of HR Coils, CRCA and other steel products. The Consolidated financial statements presented by the Company include the financial results of its subsidiary company. Further a statement containing the particulars prescribed by general circular issued by Ministry of Corporate Affairs, Government of India for Company's subsidiaries is also forming part of the consolidated financial statements.

2. SALE OF COMPANY'S STEEL DIVISION

The Company has sold its Steel Division as a going concern with its Assets & Liabilities on as-is-where-is basis by way of 'Slump Sale' to its wholly owned subsidiary company namely 'RSAL Steel Private Limited' by entering into Slump Sale Agreement on 30th March, 2011. The Company has obtained the requisite sanctions/approvals from all its lender banks regarding transferring assets and liabilities from the Company to 'RSAL Steel Private Limited' except transfer of Working Capital Term Loan (WCTL) from State Bank of India (SBI).

On 5th March, 2013, SBI granted the approval for transfer of WCTL from Ruchi Strips And Alloys Limited to RSAL Steel Private Limited. The Banks have approved the transfer of working capital limit and term loans with stipulation of corporate guarantee of our Company.

After receipt of approval the subsidiary company has taken steps to get registration of sale deed with Registrar, Dhar. Registration of sale deed is pending with them as and when the same will be completed our Company will take necessary steps to get satisfy the charges with Registrar of Companies.

3. DIVIDEND

Your Directors express their inability to recommend any dividend for the period under review, due to the need for conserving funds.

4. DIRECTORS

Mr. Arvind Mishra and Mr. Ashok Khasgiwala, Directors retire by rotation in accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company and being eligible, offer themselves for re-appointment.

5. **CORPORATE GOVERNANCE**
Corporate Governance Report is enclosed as a part of Director's Report.
6. **FIXED DEPOSITS**
During the Financial Year, Company has accepted deposits in accordance with provisions of Section 58A of the Companies Act, 1956 and rules made there under.
7. **DIRECTORS' RESPONSIBILITY STATEMENT**
Pursuant to provisions of Section 217 (2AA) of the Companies Act, 1956, the Board confirms:
 - (i) That in the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departure;
 - (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
 - (iii) 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;
 - (iv) That the Directors have prepared the Annual Accounts on a going concern basis.
8. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**
Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earning & Outgo are nil during the period under review.
9. **AUDITORS**
M/s Arun Maheshwari & Co., Chartered Accountants, Auditors of the Company hold office upto the conclusion of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your board recommends their reappointment.
10. **AUDITOR'S REPORT**
Report of the Auditors and their observations on the Accounts of the Company for the year under review is self-explanatory.
11. **LISTING AT STOCK EXCHANGES**
Company's Equity Shares continues to be listed on Bombay Stock Exchange Limited (BSE).
12. **CEO & CFO CERTIFICATION**
The Board of Directors have received certificate from Managing Director and CFO under Clause 49(v) of listing agreement.
13. **PARTICULARS OF EMPLOYEE'S**
None of the employee of the Company was paid remuneration in excess of the limit. Therefore, the particulars of employees, as required by the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, as amended by the Companies (Amended) Act, 1988 are nil.
14. **INDUSTRIAL RELATIONS**
Relations with the employees continued to remain cordial throughout the year. Your Directors wish to place on record their appreciation for sincere and dedicated services rendered by the executives, staff and workers at all levels.
15. **ACKNOWLEDGEMENT**
The Directors wish to place on record their appreciation for the sincere cooperation extended by the shareholders, Bankers and all other Government Agencies in carrying out the business of the Company.

By order of the Board of Directors

Place : Indore
Date : 9th August, 2013

Kailash Chandra Shahra
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure and Development :

Your Company is engaged in trade in various products including steel and agro commodities after transferring the Steel Division of the Company to its wholly owned subsidiary Company namely RSAL Steel Private Limited. Also, the Company is exploring various other business opportunities but looking to the uncertainty in economy the decision for other activities will be taken at appropriate time after streamline of economy.

Industry Outlook :

India's growth story is slow and hit a decade low with the GDP growing at just 4.8% in 2012-13, as compared to 6.5% in 2011-12 and 8.4% in 2010-11. Due to some measures announced by the Government of India the Indian economy began a feeble recovery in the first quarter of 2013, but weak private consumption, capital investment and slowing public spending offered little hope for a fast rebound in coming quarters. Also current account deficit as well as low PMI also forced to low GDP.

Risk & Concerns :

On the domestic front, the foreign exchange market came under severe stress starting late May 2013, prompting the Reserve Bank to initiate liquidity tightening measures to contain the volatility. As regards economic activity, risks to growth have increased notwithstanding the robust onset and spread of the monsoon. Industrial production has slumped, with lead indications of declining order books and input price pressures building on rupee depreciation.

High Volatility and slowdown in infrastructure projects the growth and profitability in trading activities is affecting the same.

Internal Control Systems and Adequacy :

The Company as well as its wholly owned subsidiary has good internal control systems, the adequacy of which has also been reported by its auditors in their report as required under the Companies (Auditor's Report) Order, 2003. Adequate system of internal control are in place of which assures us of:

- * Proper recording and safeguarding of assets.
- * Maintaining proper accounting record and reliability of financial information.

Environment Management System :

The Company and its wholly owned subsidiary are committed to demonstrate continual improvement in our environmental performance in line with corporate values and stakeholder's expectations.

Development in Human Resources and Industrial Relations :

The Industrial relations climate of the Company and its wholly owned subsidiary continues to remain harmonious and cordial with focus on improving productivity quality and safety.

Financial and Operating Performance :

During the period under review, the sales and other income was ` 553.27 crores and gross profit was ` 9.21 crores.

Segment-Wise Performance :

During the year Company was engaged in trading activities therefore no separate segment for reporting.

Statements in this "Management Discussion Analysis" describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include change in availability of trading material, changes in government regulations, tax regimes, economic developments in India and the countries in which the Company conduct business and other incidental factors.

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Ruchi Strips And Alloys Limited (RSAL) has always believed in fair business and corporate practices while dealing with the shareholders, employees, customers, creditors, lenders and others. We have always aimed to build trust with shareholders, employees, customers, suppliers and diverse stakeholders and to meet expectations of various elements of corporate environment. We believe in transparent and fair corporate actions with adequate disclosure and total accountability.

RSAL has been discharging its statutory obligations and duties and has always complied with statutory and regulatory requirements. Given below are the Company's Corporate Governance policies and practices in accordance with the provisions of Clause 49 of the Listing Agreement.

A report on implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below :-

1. Company's Philosophy on Corporate Governance

Corporate Governance is the combination of voluntary practices and compliance with laws and regulations leading to effective control and management of the organization. Good Corporate Governance leads to long term shareholder value and enhances interest of other stake holders. It brings into focus the fiduciary and the trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

2. RSAL Board presently consists of a majority of Non-Executive / Independent Directors, many of whom are acknowledged as leading professionals in their respective fields. The Board comprises of One (1) Executive Director, Two (2) Non-Executive Directors, Four (4) Independent Directors and One(1) Professional Director.

Name of Director	Executive / Non-Executive / Independent	No. of other Directorship ¹ (Chairman)	Membership of other Board Committees (Chairman)
Mr. Kailash Chandra Shahra	Non-Executive	5(4)	1(1)
Mr. Arvind Mishra	Non-Executive	2	1
Mr. Umesh Shahra	Executive	11	3(1)
Mr. Ashok Khasgiwala	Professional	-	-
Mr. Veer Kumar Jain	Independent	1	-
Mr. Navin Khandelwal	Independent	5	3(3)
Mr. Manish Jain	Independent	-	-
Mr. Vijay Kumar Mahajan	Independent	1	1(1)

(1) This includes directorship held in Public Limited Companies and subsidiaries of Public Limited Companies and excludes directorship held in Private Limited Companies, Section 25 Companies of the Companies Act, 1956 and Foreign Companies.

Attendance of Directors in Board Meetings and Annual General Meeting

The Board of the Company met Eight times during the last Financial Year 2011-2013 (1st October, 2011 to 31st March, 2013) (18 months) on the following dates:

- | | | |
|-------------------------------------|-------------------------------------|-------------------------------------|
| (1) 12 th November, 2011 | (2) 11 th February, 2012 | (3) 18 th February, 2012 |
| (4) 19 th March, 2012 | (5) 12 th May, 2012 | (6) 11 th August, 2012 |
| (7) 10 th November, 2012 | (8) 9 th February, 2013 | |

The attendance of the Board Meeting and Annual General Meeting were as under :

Name of Director	Attendance	
	Board Meeting	Annual General Meeting
Mr. Kailash Chandra Shahra	3	✓
Mr. Umesh Shahra	8	✓
Mr. Arvind Mishra	7	X
Mr. Ashok Khasgiwala	8	✓
Mr. Veer Kumar Jain	1	✓
Mr. Navin Khandelwal	6	✓
Mr. Manish Jain	7	✓
Mr. Vijay Kumar Mahajan	8	✓

3. Remuneration to Directors

- a. During the Financial Year 2011-2013 (1st October, 2011 to 31st March, 2013)(18 months), the particulars of remuneration paid to Mr. Umesh Shahra, Managing Director :

Sr. No.	Particulars of remuneration	Mr. Umesh Shahra
1.	Salary	₹ 27,00,000/-
2.	Contribution to Provident Fund	₹ 3,24,000/-

- b. During the Financial Year 2011-2013(1st October, 2011 to 31st March, 2013)(18 months) sitting fees paid to Non-Executive Directors amounted to ₹ 2,45,000/-

4. Audit Committee

Audit Committee met Six times during the Financial Year 2011-2013 (1st October, 2011 to 31st March, 2013) (18 months). The dates are as follows:-

- (1) 12th November, 2011 (2) 8th February, 2012 (3) 10th May, 2012
 (4) 10th August, 2012 (5) 9th November, 2012 (6) 8th February, 2013

The constitution of the Committee and the attendance of each member of the Committee during Financial Year 2011-2013 (1st October, 2011 to 31st March, 2013) (18 months) are given below :-

Name	Designation	Non-Executive / Independent	Profession	Committee Meetings Attended
Mr. Navin Khandelwal	Chairman	Independent Director	Chartered Accountant	6
Mr. Ashok Khasgiwala	Member	Professional Director	Chartered Accountant	3
Mr. Veer Kumar Jain	Member	Independent Director	Advocate	3
Mr. Manish Jain	Member	Independent Director	Practicing Company Secretary	3

The terms of reference of the Audit Committee includes the following:

- To hold periodic discussion with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors/Internal Auditors;
 - To review compliance with internal control systems;
 - To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
 - To investigate into any matter in relation to items specified in Section 292A of the Companies Act, 1956 or as may be referred to it by the Board and for this purpose to seek any relevant information contained in the records of the Company and also seek external professional advice, if necessary;
 - To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report.
5. Share Transfer & Investors Grievance Committee

Share Transfer & Investor Grievance Committee met Six times during the Financial Year 2011-2013 (1st October, 2011 to 31st March, 2013) (18 months). The dates are as follows :-

- | | | |
|-----------------------------------|------------------------------------|-----------------------------------|
| (1) 8 th October, 2011 | (2) 12 th January, 2012 | (3) 7 th April, 2012 |
| (4) 9 th July, 2012 | (5) 4 th October, 2012 | (6) 8 th January, 2013 |

The constitution of the Committee during Financial Year 2011-2013 (1st October, 2011 to 31st March, 2013) (18 months) is given below :-

Name	Designation	Executive / Non-Executive / Independent
Mr. Manish Jain	Chairman	Independent Director
Mr. Arvind Mishra	Member	Non-Executive Director
Mr. Veer Kumar Jain	Member	Independent Director

The Committee specifically looks into the shareholders and investor's complaints. In addition, the Committee also looks into matters, which can facilitate better investor services and relations.

During the period under review the Committee had reviewed the status of investor services rendered by the Company. Mr. Shyam Sunder Agrawal is Compliance Officer of the Company. Committee discussed the various reports placed before it regarding the investor complaints and queries.

During the Financial Year 2011 - 2013 (1st October, 2011 to 31st March, 2013) (18 months), the Company had received total 6 complaints related to individuals, out of which 1 complaint related to non receipt of Share Certificate, 3 complaints related to non receipt of Annual Report, 2 complaints for non receipt of Dividend Warrant.

Also, there were 3 complaints received from SEBI which were related to non correspondence with shareholder, non updation of addresses and change of address and demat. All the complaints have been resolved to the satisfaction of the shareholders and SEBI and no complaint was pending as on 31st March, 2013.

6. Remuneration Committee

The Board has constituted a Remuneration Committee to recommend / review the remuneration package of the Managing / Whole Time Director, if any, based on the performance on defined criteria. Following are the members as on 31st March, 2013 :

Name	Designation	Executive / Non-Executive / Independent
Mr. Vijay Kumar Mahajan	Chairman	Independent Director
Mr. Manish Jain	Member	Independent Director
Mr. Navin Khandelwal	Member	Independent Director

The remuneration policy is directed towards rewarding performance based on review of achievement on periodic basis. The remuneration policy is in consonance with the existing industry practice.

7. Information of General Body Meetings

Location and time of AGMs/EGMs held during the last three years are as follows:-

Year	AGM/EGM	Location	Date & Time	Whether Special Resolution(s) passed or not
2010-2011	AGM	Indian Textile Accessories & Machinery Manufactures Association, 4 th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai - 400001	19/03/2012 11:00 A.M.	Yes 1. Re-appointment of MD. 2. Commencement of business and activities as per MOA.
2009-2010	AGM	Indian Textile Accessories & Machinery Manufacturers' Association, 2 nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai - 400001	21/09/2010 11:30 A.M.	Yes 1. Increase in Authorized capital and amendment in MOA & AOA. 2. Preferential allotment.
2009-2010	EGM	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	11/01/2010 11:30 A.M.	Yes 1. Reclassification of Authorized capital and amendment in MOA & AOA. 2. Preferential allotment.
2008-2009	AGM	Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018	30/09/2009 3:00 P.M.	Yes 1. Increase in Authorized capital and amendment in MOA & AOA. 2. Commencement of business and activities as per MOA. 3. Issue of 5% Non cumulative preference shares.

No EGM was held during the year 2011-2013.

8. Disclosures

a. Transactions with Promoters, Directors and their relatives, Management or their subsidiaries etc.

The Company has not entered into any transaction of material nature with the Promoters or Directors and/or their relatives or Management and/or their subsidiaries etc. that may have any potential conflict with the interests of the Company. The transactions of purchase and sale of goods, materials and services made in respect of above parties have been made at prices which are reasonable having regard to prevailing market prices for such goods, materials or services as available with the Company or the prices at which transactions for similar goods, materials or services have been made with other parties. (please refer note no.28 of Notes to accounts, forming part of the Annual Report)

b. Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to Capital Markets during last three years.

9. Code of Conduct

The Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The Code of Conduct is available on the website of the Company www.ruchistrips.com. The declaration of the Managing Director is given below:

To,
The Shareholders
Ruchi Strips And Alloys Limited

Sub: Compliance with Code of Conduct

I hereby declare that all the Board Members and Senior Management Personnel have affirmed with the Code of Conduct as adopted by the Board of Directors.

Place : Indore
Dated : 10th May, 2013

Umesh Shakra
Managing Director

Subsidiary Company's Monitoring Framework

The Company is having one material unlisted subsidiary company and is required to nominate an Independent Director of the Company on the Board of subsidiary company hence, one of the Independent Director of the Company has been appointed as a Director on the Board of RSAL Steel Private Limited, subsidiary of the Company.

The Company monitors performance of subsidiary company inter alia by the following:

- (a) Financial Statements of subsidiary company are reviewed by Audit Committee of the Company at regular intervals.
- (b) All minutes of Board meetings of the subsidiary company are placed before the Company's Board regularly.

10. Communication to Shareholders

Quarterly financial results for the Financial Year 2011-2013 (1st October, 2011 to 31st March, 2013) (18 months) were published in the newspapers namely Free Press Journal & Navshakti (both Mumbai Edition). RSAL has its own website, www.ruchistrips.com on which important public domain information are posted. All financial and other vital official news releases are also properly communicated to the concerned Stock Exchange as besides being placed on the website.

11. General Shareholder Information

Annual General Meeting	Date	: 14 th September, 2013
	Time	: 11:30 A.M.
	Venue	: Sunville Deluxe Pavilion, Sunville Building, 9, Dr. Annie Besant Road, Worli, Mumbai - 400018
Financial Calendar 2013-2014		
Adoption of Quarterly Results of		
First quarter		2 nd week of August, 2013
Second quarter		2 nd week of November, 2013
Third quarter		2 nd week of February, 2014
Fourth quarter & Annual		4 th week of May, 2014
Annual General Meeting for the year ending 31 st March, 2013		: 14 th September, 2013
Book closure Dates		: 10 th September, 2013 to 14 th September, 2013 (Both days inclusive)
Dividend Payment Date		: No dividend is declared for the year 2011-2013 (18 Months)

12. Listing on Stock Exchanges

The equity shares of the Company are listed on Bombay Stock Exchange, Mumbai (BSE).

Stock Code		
Bombay Stock Exchange, Mumbai		: 513295 (Physical) INE611C01012 (Demat)
Registrar & Transfer Agent		: M/s Sarthak Global Limited Avanti House, 170/10, Film Colony, RNT Marg, Indore - 452001 (M.P.)
Address of Correspondence		: 611, Tulsiani Chambers, Nariman Point, Mumbai - 400021
Dematerialization of shares		: 90.83% of the total equity capital is held in Dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on 31 st March, 2013
Outstanding ADRs/GDRs		: The Company has not issued any ADRs/GDRs

13. Market Price Data (^)

High, low market price on Bombay Stock Exchange Limited (BSE) during each month in the last Financial Year :

Period	High (^)	Low (^)
October, 2011	15.93	12.66
November, 2011	15.50	10.00
December, 2011	12.68	9.50
January, 2012	13.40	9.55
February, 2012	15.00	10.80
March, 2012	13.24	10.00
April, 2012	11.50	8.50
May, 2012	10.80	8.50
June, 2012	11.00	8.78
July, 2012	11.00	8.75
August, 2012	9.95	8.87
September, 2012	10.85	8.63
October, 2012	9.96	8.11
November, 2012	9.99	8.12
December, 2012	9.32	8.38
January, 2013	9.50	8.00
February, 2013	8.50	6.11
March, 2013	6.95	4.69

 14. Distribution of Shareholding as on 31st March, 2013

Shareholding	Share Holders		Total Number of Shares	% of Shareholding
	Number	% of Total		
Upto 2500	17,770	77.680	22,38,463	4.477
2501 5000	3,413	14.920	13,61,927	2.724
5001 10000	1,019	4.454	8,69,586	1.739
10001 20000	358	1.565	5,62,397	1.125
20001 30000	100	0.437	2,57,883	0.516
30001 40000	30	0.131	1,09,727	0.219
40001 50000	48	0.210	2,27,973	0.456
50001 100000	60	0.262	4,43,765	0.888
100001 & above	78	0.341	4,39,23,980	87.856
TOTAL	22,876	100.000	4,99,95,701	100.000

15. Share Transfer System

The Registrar & Share Transfer Agent M/s Sarthak Global Limited deals with Share Transfer both in physical and dematerialized mode. The dematerialized shares are transferable through the depository system. Shares in physical form are processed by the R & TA and approved by Share Transfer and Investors Grievance Committee of Directors of the Company. Physical Shares are transferred within stipulated time.

16. Shareholding Pattern and Distribution of Shareholding

Shareholding pattern as on 31st March, 2013:

Category	No. of Shares held	% of Shareholding
1. Promoter's Holding including Foreign promoters	1,41,34,002	28.27
2. NRIs/OCBs/FIIs	17,19,254	3.44
3. Banks, FIs, Mutual Funds	79,900	0.16
4. Indian Corporate Bodies	2,49,86,166	49.98
5. Indian Public	90,76,379	18.15
TOTAL	4,99,95,701	100.00

17. Dematerialization of shares and liquidity

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository systems, of both NSDL and CDSL.

CERTIFICATE

To
The Members of
Ruchi Strips and Alloys Limited,

We have reviewed the compliance of the conditions of Corporate Governance by Ruchi Strips And Alloys Limited for the year ended 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that there are no investor grievances pending as on 31st March, 2013 as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

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

For ARUN MAHESHWARI & CO.
Chartered Accountants

CA Arun Maheshwari
Proprietor
Membership No.70354

Place : Indore
Date : 30th May, 2013

Independent Auditors Report

To,
The Members of Ruchi Strips And Alloys Limited

Report on the Financial Statements

We have audited the accompanying financial statement of Ruchi Strips And Alloys Limited ("The Company") which comprises the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the eighteen months period 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 flow of the Company in accordance with 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 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends 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 accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- ii. in the case of the Statement of Profit and Loss, of the Profit for the eighteen months ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the eighteen months ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2003, (as amended), issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, 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 purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us;
 - 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 and with the returns received from the branches not visited by us;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors, as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 ARUN MAHESHWARI & CO.
Chartered Accountants
(Firm Reg. No. 0870C)

Place : Indore
Date : 30th May, 2013

CA Arun Maheshwari
Proprietor
Membership No. 70354

Annexure to 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)

- i. In respect of its Fixed Assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The fixed assets have been physically verified by the management during the period and there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed, no material discrepancies were noticed on such verification.
 - c. During the period under review, the Company has not disposed off a substantial part of fixed assets and we are of the opinion that the going concern status of the Company is not affected.
- ii. In respect of its Inventories:
 - a. The management has conducted physical verification of inventory at reasonable intervals during the period under review. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- iii. In our opinion and according to the information and explanations given to us the Company has neither granted nor taken any loan secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, the provisions of clauses iii(b), iii(c), iii(d) and iii(f), iii(g) of the order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system in respect of these areas.
- v.
 - a. According to the information and explanations given to us, we are of the opinion that the particulars of contract or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the information and explanations given to us, the Company has accepted deposits from public and complied with the provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

- vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- viii. In our opinion provisions of maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company since Company has no manufacturing activity during the period under audit.
- ix. a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Value Added Tax, Service Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it. There were no arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
- b) According to the records of the Company and information and explanation given to us we report that particulars of dues of sales tax, value added tax, income tax, custom duty, service tax, wealth tax, excise duty and cess which have not been deposited with appropriate authorities on account of any dispute, are as under :-

Details of disputed Statutory dues as on 31.03.2013 on account of matter pending before appropriate authorities :

Sl. No.	Name of the Statute	Nature of dues	Amount (₹ in lacs)	Period to which amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Income Tax	6.76*	1989-1990	Restored to CIT (A) by ITAT, Mumbai

* Demand adjusted against refund due to the Company.

- x. The Company does not have accumulated losses as at 31st March, 2013 and it has not incurred any cash losses during the financial period covered by our audit and the immediately preceding financial period.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank. The Company has not issued any debenture.
- xii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us and the representations made by the management, the Company has given guarantee for loans taken by others from banks or financial institution. In our opinion, the terms and condition on which the Company has given guarantee are not prima facie prejudicial to the interest of the Company.
- xvi. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that the Company has not raised any term loan during the period under audit.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

- xviii. The Company has not made preferential allotment of shares to parties or Companies covered in the register maintained under section 301 of the Act during the year.
- xix. The Company has not issued debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance 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 ARUN MAHESHWARI & CO.
Chartered Accountants
(Firm Reg. No. 0870C)

CA Arun Maheshwari
Proprietor
Membership No. 70354

Place : Indore
Date : 30th May, 2013

BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lacs

Particulars	Note No.	As at 31 st March, 2013	As at 30 th September, 2011
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
a) Share Capital	1	5001.28	5001.28
b) Reserves & Surplus	2	909.08	790.13
		<u>5910.36</u>	<u>5791.41</u>
2. Non-Current Liabilities			
Long term provisions	3	0.17	0.57
		<u>0.17</u>	<u>0.57</u>
3. Current Liabilities			
a) Short-term borrowings	4	97.11	250.00
b) Trade payables	5	2343.92	7827.27
c) Other current liabilities	6	137.82	100.11
d) Short-term provisions	7	0.01	0.02
		<u>2578.86</u>	<u>8177.40</u>
	Total	<u><u>8489.39</u></u>	<u><u>13969.38</u></u>
II. ASSETS			
1. Non-current assets			
a) Fixed Assets			
Tangible Assets	8	0.50	0.60
b) Non Current Investments	9	5095.87	5095.87
c) Deferred Tax Asset (Net)	10	511.08	575.67
d) Long term loans and advances	11	42.36	2.19
		<u>5649.81</u>	<u>5674.33</u>
2. Current Assets			
a) Inventories	12	-	43.70
b) Trade Receivables	13	2609.00	8048.79
c) Cash and Bank Balances	14	39.88	22.19
d) Short-Term Loans and Advances	15	177.35	159.79
e) Other Current Assets	16	13.35	20.58
		<u>2839.58</u>	<u>8295.05</u>
	Total	<u><u>8489.39</u></u>	<u><u>13969.38</u></u>
Notes forming integral part of the financial statements	1 to 42		
Significant accounting policies	42		

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shahra
Managing Director

Place : Indore

Date : 30th May, 2013

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

₹ in Lacs

Particulars	Note No.	For the eighteen Months ended 31 st March, 2013	For the eighteen Months ended 30 th September, 2011
I. INCOME			
a) Revenue from operations	17	55327.08	104679.62
Less : Excise Duty		-	3834.02
		<u>55327.08</u>	<u>100845.60</u>
b) Other Income	18	150.95	704.01
		<u>55478.03</u>	<u>101549.61</u>
II. EXPENSES			
a. Cost of materials consumed	19	-	43364.94
b. Purchase of Stock-in-Trade	20	54381.04	45286.72
c. Changes in inventories of finished goods, Work-in-Progress and Stock-in-Trade	21	43.70	3744.74
d. Employee Benefits Expenses	22	46.54	965.54
e. Finance Costs	23	692.82	2002.92
f. Depreciation and Amortization Expenses	8	0.19	673.37
Less : Transfer from revaluation reserve		-	(328.68)
g. Other Expenses	24	84.29	4185.47
		<u>55248.58</u>	<u>99895.02</u>
III. Profit before exceptional and extraordinary items and tax		229.45	1654.59
IV. Exceptional and Extraordinary Items		-	335.04
V. Profit before tax (III+IV)		229.45	1989.63
VI. Tax expenses :			
a. Current Tax		45.91	329.77
b. Deferred Tax		64.59	401.27
		<u>118.95</u>	<u>1258.59</u>
VII. Profit for the Year (V-VI)		<u>118.95</u>	<u>1258.59</u>
VIII. Earning per Equity Share of ₹ 10 each			
Basic and Diluted (in ₹) (not annualised)		0.24	2.00

Notes forming integral part of the financial statements
Significant accounting policies

1 to 42
42

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shahra
Managing Director

Place : Indore
Date : 30th May, 2013

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2013

₹ in Lacs

	For the period 2011-2013	For the period 2010-2011
A. Cash Flow from Operating Activities		
a) Net Profit before tax and extraordinary items	229.45	1654.59
Adjustment for :		
Depreciation	0.19	344.69
Finance Costs	692.82	2002.92
Interest Received	(2.72)	(127.57)
Loss on sales of Fixed Assets	-	(523.87)
b) Operating Profit before working capital changes	919.74	3350.76
Adjustment for :		
Trade & Other Receivable	5544.40	3069.83
Inventories	43.70	13420.97
Trade & Other Payable	(5560.99)	(10853.93)
c) Cash Generated from Operation	946.85	8987.63
Adjustment for :		
Taxes Paid	(86.08)	(210.11)
d) Cash Flow before extraordinary items	860.77	8777.52
Extraordinary items	-	-
Net Cash Flow from Operating Activities	860.77	8777.52
B Cash Flow from Investing Activities		
Purchases / Acquisition of Fixed Assets	(0.09)	(7.86)
Interest Received	2.72	127.57
Sales of Fixed Assets	-	3932.20
Adjustments for sale consideration	-	(5078.87)
Investments in subsidiary	-	(1.00)
Other Investments	-	(1.00)
Fixed deposits having maturity more than 3 months	(8.52)	-
Net Cash Flow from Investing Activities	(5.89)	(1028.96)
C Cash Flow from Financing Activities		
Proceeds from / (Repayment of) borrowings	(152.89)	(7702.93)
Finance Costs	(692.82)	(2002.92)
Net Cash Flow from Financing Activities	(845.71)	(9705.85)
D Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	9.17	(1957.29)
Cash & Cash Equivalents at the beginning of the year	22.19	1979.48
Cash & Cash Equivalents at the end of the year	31.36	22.19
Short Term bank deposits	8.52	-
Cash and Bank balances at the end of the year	39.88	22.19

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shahra
Managing Director

Place : Indore
Date : 30th May, 2013

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at	
	31 st March, 2013	30 th September, 2011
NOTE 1 : SHARE CAPITAL		
Authorised		
5,02,50,000 equity shares (Previous year 5,02,50,000 equity shares) of ` 10/- each	5025.00	5025.00
17,00,000 (Previous year 17,00,000) 5% non cumulative redeemable preference share of ` 100/- each	1700.00	1700.00
	<u>6725.00</u>	<u>6725.00</u>
Issued and Subscribed		
5,00,29,901 equity shares (Previous Year 5,00,29,901 equity shares) of ` 10/- each	<u>5002.99</u>	<u>5002.99</u>
Paid-Up		
4,99,95,701 equity shares (Previous year 4,99,95,701 Equity shares) of ` 10/- each fully paid-up	4999.57	4999.57
Add: Amount originally paid up on forfeited shares	1.71	1.71
	<u>5001.28</u>	<u>5001.28</u>

1.1 The reconciliation of the number of shares and amount outstanding is set out below :

Particulars	As at 31 st March, 2013		As at 30 th September, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Issued and Subscribed				
Equity Shares at the beginning of the year	5,00,29,901	5002.99	5,00,29,901	5002.99
Add: Shares issued during the year	-	-	-	-
	<u>5,00,29,901</u>	<u>5002.99</u>	<u>5,00,29,901</u>	<u>5002.99</u>
Paid-Up				
Equity Shares at the beginning of the year	4,99,95,701	4999.57	4,99,95,701	4999.57
Add: Shares issued during the year	-	-	-	-
Add: Amount paid up on Forfeited Shares	-	1.71	-	1.71
	<u>4,99,95,701</u>	<u>5001.28</u>	<u>4,99,95,701</u>	<u>5001.28</u>

1.2 The Company has one class of equity shares having a par value of ` 10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.3 The details of Shareholders holding more than 5% shares :

Name of the Shareholders	As at 31 st March, 2013		As at 30 th September, 2011	
	No. of shares held	% Held	No. of shares held	% Held
Rohini Forex Private Limited	33,43,134	6.69	33,43,134	6.69
Jush Developers and Erectors Private Limited	38,06,000	7.61	38,06,000	7.61
Top Seals India Private Limited	69,76,714	13.95	69,76,714	13.95
Joyful Developers Private Limited	38,06,075	7.61	38,06,075	7.61
Money Capfin Private Limited	42,35,796	8.47	42,35,796	8.47
Param Foundation Private Limited	60,53,987	12.11	60,53,987	12.11
Ruchi Acroni Industries Limited	28,37,352	5.68	28,37,352	5.68

₹ in Lacs

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
NOTE 2 : RESERVES AND SURPLUS		
a) Capital Reserve		
Balance as at the beginning of the period	10.00	10.00
Add : Received during the period	-	-
Balance as at the end of the period	<u>10.00</u>	<u>10.00</u>
b) Debenture Redemption Reserves		
Balance as at the beginning of the period	-	9.17
Less : Transfer to Statement of Profit and Loss	-	(9.17)
Balance as at the end of the period	<u>-</u>	<u>-</u>
c) Securities Premium Account		
Balance as at the beginning of the period	599.02	108.60
Add: Premium on shares issued during the period	-	490.42
Balance as at the end of the period	<u>599.02</u>	<u>599.02</u>
d) Revaluation Reserve		
Balance as at the beginning of the period	-	4139.10
Less : Utilized for set off against Depreciation written back	-	(328.68)
Less : Deduction on sale of assets	-	(3810.42)
Balance as at the end of the period	<u>-</u>	<u>-</u>
e) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the period	181.11	(1086.65)
Add: Profit for the period	118.95	1258.59
Add: Transfer from Debenture Redemption Reserve	-	9.17
Balance as at the end of the period	<u>300.06</u>	<u>181.11</u>
Total	<u>909.08</u>	<u>790.13</u>
NOTE 3 : LONG TERM PROVISIONS		
Provision for Employee Benefits	0.17	0.57
Total	<u>0.17</u>	<u>0.57</u>
NOTE 4 : SHORT TERM BORROWINGS		
Unsecured		
Intercorporate Deposits	-	220.00
Deposits from public	97.11	30.00
Total	<u>97.11</u>	<u>250.00</u>
NOTE 5 : TRADE PAYABLE		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others (Refer Note No. 27)	2343.92	7827.27
Total	<u>2343.92</u>	<u>7827.27</u>
NOTE 6 : OTHER CURRENT LIABILITIES		
Interest accrued but not due on borrowing	0.77	-
Other Payables		
Statutory Dues	64.12	19.87
Advances from Customers	71.61	20.00
Other Liabilities	1.32	60.24
Total	<u>137.82</u>	<u>100.11</u>
NOTE 7 : SHORT TERM PROVISIONS		
Provision for employee benefits	0.01	0.02
Total	<u>0.01</u>	<u>0.02</u>

Particulars As at
31st March, 2013 As at
30th September, 2011

NOTE 8 : FIXED ASSETS

Particulars	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
	As at 01.10.2011	Additions	Adjustments	Deductions	As at 31.03.2013	Upto 30.09.2011	For the Year	on Deductions	Upto 31.03.2013	As at 31.03.2013	As at 30.09.2011
A. Tangible Assets											
Furniture & Fixtures	0.20	-	-	-	0.20	0.19	0.01	-	0.20	-	0.01
Office Equipments	0.68	0.09	-	-	0.77	0.09	0.18	-	0.27	0.50	0.59
Total	0.88	0.09	-	-	0.97	0.28	0.19	-	0.47	0.50	0.60
Previous Year	13268.45	7.86	3810.42	9465.01	0.88	5383.60	673.37	6056.68	0.28	0.60	-

NOTE 9 : NON CURRENT INVESTMENTS

a. In Equity Shares (Unquoted)

In Subsidiary Company (Trade Investments)

10,000 Equity Shares of ₹ 10/- each fully paid up in RSAL Steel Private Limited 1.00 1.00

In other than Subsidiaries Companies (Non Trade Investment)

10,000 Equity Shares of ₹ 10/- each fully paid in NICPL Infralinks Private Limited (Associate) 1.00 1.00

1,50,000 Equity Shares of ₹ 10/- each fully paid in Ruchi Global Limited 15.00 15.00

Total (a) 17.00 17.00

b. In Preference Shares (Trade Investment)

In Subsidiary company

5,07,88,700 5% Non-cumulative Redeemable Preference Shares of ₹ 10/- 5078.87 5078.87

each fully paid in RSAL Steel Private Limited 5078.87 5078.87

Total (a+b) 5095.87 5095.87

Aggregate amount of unquoted investments 5095.87 5095.87

Aggregate amount for diminution in value of investments - -

NOTE 10 : DEFERRED TAX ASSETS (NET)

Deferred Tax Liabilities

Depreciation difference on Fixed Assets 0.05 -

Deferred Tax Assets

Unabsorbed Depreciation 143.33 140.08

Business Loss 362.47 422.93

Disallowance under the Income Tax Act, 1961 5.23 12.66

Deferred Tax Assets (NET) Total 511.08 575.67

₹ in Lacs

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
NOTE 11 : LONG TERM LOANS AND ADVANCES (Unsecured, considered good)		
Advance Income Tax (net of provision ` 399.75 Lacs, Previous Year ` 353.84 Lacs)	42.36	2.19
Total	<u>42.36</u>	<u>2.19</u>
NOTE 12 : INVENTORIES (As valued and certified by Management)		
Stock-in-Trade (Valued at lower of cost or net realisable value)	-	43.70
Total	<u>-</u>	<u>43.70</u>
Detail of Stock-in-Trade		
HR Coils	-	43.70
NOTE 13 : TRADE RECEIVABLES (Unsecured, considered good)		
Outstanding for a period exceeding six months from the date they are due for payment	86.45	-
Others*	2522.55	8048.79
Total	<u>2609.00</u>	<u>8048.79</u>
*(includes ` 795.01 Lacs, (Previous Year ` 5216.75 Lacs) due from subsidiary company)		
NOTE 14 : CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
i. Balances with Banks		
in Current Accounts	12.36	8.12
in deposit account with Maturity up to 3 Months Against Margin Money (under lien)	16.58	12.69
ii. Cash on hand		
	2.42	1.38
	<u>31.36</u>	<u>22.19</u>
b. Other Bank Balances		
In Deposit Accounts		
i. having maturity of more than 3 months up to 12 months		
Against margin money (under lien)	7.70	-
Other deposit	0.82	-
ii. having maturity more than 12 Months		
Against Margin Money (under lien)	-	-
Total	<u>39.88</u>	<u>22.19</u>
NOTE 15 : SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Other Loans and advances		
Loans and Advances to Employees	-	0.69
Balance with Government Authorities	133.26	99.03
Advance to Suppliers	43.84	12.41
Other advance recoverable in cash or in kind for value to be received	0.25	47.66
Total	<u>177.35</u>	<u>159.79</u>
NOTE 16 : OTHER CURRENT ASSETS (Unsecured, considered good)		
Others		
Interest Accrued on deposits	1.47	-
Other Receivable	11.88	20.58
Total	<u>13.35</u>	<u>20.58</u>

₹ in Lacs

Particulars	For the eighteen Months ended 31 st March, 2013	For the eighteen Months ended 30 th September, 2011
-------------	--	--

NOTE 17 : REVENUE FROM OPERATIONS

a. Sales of Products (Gross)	55292.03	104485.64
b. Job Work Processing Charges	-	193.98
c. Other operating revenue	35.05	-
	<u>55327.08</u>	<u>104679.62</u>
Less: Excise Duty	-	3834.02
Total	<u>55327.08</u>	<u>100845.60</u>

Details of Sales of product

a) Cold Rolled Strips/Other Steel	17806.94	74149.00
b) Slits and Scrap	-	1430.34
c) H.R. Coil	20753.34	15334.22
d) Others	16731.75	13572.08
	<u>55292.03</u>	<u>104485.64</u>

NOTE 18 : OTHER INCOME

Interest Income	2.71	127.57
Profit on sale of Fixed Assets	-	523.87
Sales Tax refund	148.07	18.49
Other non-operating income	0.17	34.08
Total	<u>150.95</u>	<u>704.01</u>

NOTE 19 : COST OF MATERIALS CONSUMED

Raw Material Consumed	-	28797.04
Purchase of Semi Processed Goods	-	14567.90
Total	<u>-</u>	<u>43364.94</u>

Imported and Indigenous Raw materials and stores & spares consumed :

Raw Material	Period ended 31 st March, 2013	%	Period ended 30 th September, 2011	%
Imported	-	-	15838.37	55.00
Indigenous	-	-	12958.67	45.00

Details of Raw Materials

Hot Rolled Coils	-	28797.04
Purchase of Semi Processed Goods	-	14567.90
CRCA- Coils/ Sheets	-	43364.94
	<u>-</u>	<u>43364.94</u>

NOTE 20 : PURCHASE OF STOCK-IN-TRADE

Purchase	54381.04	45286.72
Total	<u>54381.04</u>	<u>45286.72</u>

Details of Purchase of Stock-in-Trade

a) Cold Rolled Strips/Sheets (other steel)	17763.07	21792.82
b) H.R. Coil	19913.41	14970.75
c) Others	16704.56	8523.15
	<u>54381.04</u>	<u>45286.72</u>

₹ in Lacs

Particulars	For the eighteen Months ended 31 st March, 2013	For the eighteen Months ended 30 th September, 2011
NOTE 21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Inventory at the end of the year		
Finished Goods	-	-
Work-in-Progress	-	-
Stock-in-Trade	-	43.70
	<u>-</u>	<u>43.70</u>
Less : Inventory at the beginning of the year		
Finished Goods	-	2113.16
Work-in-Progress	-	1861.42
Stock-in-Trade	43.70	-
	<u>43.70</u>	<u>-</u>
Net Increase/(Decrease) in Inventories	<u>(43.70)</u>	<u>(3930.88)</u>
Add/Less: Variation in Excise duty on Closing Stock	-	(186.14)
Total	<u><u>(43.70)</u></u>	<u><u>(3744.74)</u></u>
NOTE 22 : EMPLOYEE BENEFITS EXPENSES		
Salaries and Wages	41.60	879.70
Contribution to Provident and other funds	4.19	33.65
Staff Welfare Expenses	0.75	52.19
Total	<u><u>46.54</u></u>	<u><u>965.54</u></u>
NOTE 23 : FINANCE COSTS		
Interest Expenses	468.61	1526.98
Other Borrowing Cost	124.38	469.42
Net loss on foreign currency Transactions & Translation	99.83	6.52
Total	<u><u>692.82</u></u>	<u><u>2002.92</u></u>
NOTE 24 : OTHER EXPENSES		
Consumption of Stores and Spares	-	643.35
Power & Fuel	-	1232.62
Processing Charges	-	126.57
Rent	1.37	24.44
Repairs to Buildings	-	11.01
Repairs to Machinery	-	16.03
Repairs others	-	77.35
Insurance	1.45	24.08
Rates and Taxes , excluding taxes on income	0.10	2.46
Freight and forwarding charges	23.33	1561.11
Export Expenses	2.38	129.68
Travelling & Conveyance Expenses	4.12	95.93
Miscellaneous Expenses	51.54	240.84
Total	<u><u>84.29</u></u>	<u><u>4185.47</u></u>

NOTE 25 : CONTINGENT LIABILITIES AND COMMITMENTS
(to the extent not provided for)

	2011-2013	2010-2011
A. Contingent Liabilities		
i) Guarantees issued by Bank	-	-
ii) Income Tax / Sales Tax /Custom Duty / Excise Duty demands disputed in appeals	6.76	6.76
iii) Corporate guarantee given on behalf of subsidiary	24148.00	-
B. Commitment	-	-

NOTE 26 : Trade payables include bills payable for purchase of goods ` NIL (Previous Year ` 5505.63 Lacs).

NOTE 27: a. Trade Payables includes ` Nil (Previous Year Nil) amount due to micro, small and medium enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

b. The details of amount outstanding to Micro, Small and Medium Enterprises are as under :

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
Principle amount due and remain unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in succeeding years	-	-

c. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

NOTE 28: RELATED PARTY DISCLOSURE

List of Related Parties and Relationships
Party Name

a) Subsidiary Company
RSAL Steel Private Limited

b) Key Management Personnel & their relative
Mr. Kailash Chandra Shakra
Mr. Umesh Shakra
Mr. Arvind Mishra

Chairman
Managing Director
Director (Executive Director up to 30.03.2011)

c) Entities where Key Management Personnel & their relatives of Key Management Personnel have significant Influence over the Company.

Suyash Trust
Shahra Brothers Private Limited
Indian Steel Corporation Limited
NICPL Infralinks Private Limited (Associate)

Note : Related Party relationship is as identified by the Company and relied upon by the Auditors.

d) Transaction carried out with related parties referred in above, in ordinary course of business during the existence of

NATURE OF TRANSACTIONS	2011-2013			2010-2011					
	28 (a)	28 (b)	28 (c)	28 (a)	28 (b)			28 (c)	
	RSAL Steel Private Limited	Umesh Shahra	Indian Steel Corporation Limited	RSAL Steel Private Limited	Kailash Shahra	Umesh Shahra	Arvind Mishra	Indian Steel Corporation Limited	Suyash Trust
Sales	18691.83	-	-	12389.40	-	-	-	3721.97	-
Purchases	-	-	-	-	-	-	-	6375.85	-
Remuneration	-	27.00	-	-	-	30.44	12.41	-	-
Rent	-	-	-	-	1.20	-	-	-	0.60
Commission Received	2.53	-	36.47	-	-	-	-	-	-
Guarantees given on behalf of subsidiary	24148.00	-	-	-	-	-	-	-	-
Outstanding:									
Receivable	152.38	-	-	5152.14	-	-	-	-	-
Payable	-	-	-	-	-	-	-	-	-
Payable against consignment sales	-	-	1612.01	-	-	-	-	-	-

NOTE 29: In the opinion of Board of Directors, current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance sheet and that the provision for known liabilities is adequate and reasonable. There are no contingent liabilities other than stated herein above.

NOTE 30: AUDITORS REMUNERATION

	2011-2013	2010-2011
(a) Statutory Audit	0.75	0.75
(b) Tax Audit	0.25	0.50
(c) Other Services	1.79	0.26
(d) Reimbursement of Expenses	0.14	0.30

NOTE 31: EARNING PER SHARE (EPS)

	2011-2013	2010-2011
I Basic and Diluted Earning Per Share		
(a) Net Profit after tax	118.95	1258.59
(b) Less : Exceptional / Extraordinary items	-	335.04
(c) Profit available for Equity shareholders	118.95	923.55
(d) Weighted Average Number of Equity Shares	49995701	46208979
(e) Nominal Value of Per ordinary Share	10	10
(f) Basic Earning Per Share (in ₹) not annualised	0.24	2.00

NOTE 32: DISCLOSURE ON FINANCIAL AND DERIVATIVE INSTRUMENTS

The Company uses foreign currency forward exchange contracts to hedge its exposures in foreign currency related to firm commitment and highly probable forecasted transactions. The amount of foreign currency exposure as at the end of the period is Nil (Previous year Nil).

NOTE 33: LEASES - WHERE COMPANY IS LESSEE

The Company has taken various premises under operating leases with no restrictions and is renewable / cancelable at the option of either party. There are no sub leases. There are no restrictions imposed by lease arrangements. The Company has not recognized any contingent rent as expense in the statement of profit and loss. The aggregate amount of operating lease payments recognized in the statement of profit and loss is ₹ 1.37 Lacs (Previous period ₹ 24.44 Lacs). The Company has not recognized any contingent rent as expense in the statement of profit and loss.

NOTE 34: DISCLOSURE AS PER AS-15 - EMPLOYEE BENEFITS

GRATUITY

The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employee's gratuity. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carries out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in Profit and Loss Account.

	2011-2013		2010-2011	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in obligation during the year ended 31 st March, 2013				
Obligation at the beginning of the year	9.22	0.58	73.45	24.13
Current Service cost	1.02	0.06	11.81	3.19
Interest Cost	1.18	0.07	9.09	1.99
Liability transfer in	-	-	-	-
(Liability transferred out)	-	-	(101.27)	(23.73)
Actuarial (Gains) / Losses	0.44	0.22	28.22	(0.30)
Benefits payments	(2.14)	(0.76)	(12.08)	(4.69)
Obligations at the end of the year	9.72	0.18	9.22	0.58

₹ in Lacs

	2011-13		2010-11	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Change in the fair value of plan assets				
Fair value of plan assets at the beginning of the year	13.66	-	49.44	-
Expected return on plan assets	1.64	-	5.93	-
Contributions	0.01	-	18.10	4.69
Transfer from Other Company	-	-	-	-
Transfer to Other Company	-	-	(46.73)	-
Benefits paid	(2.14)	-	(12.08)	(4.69)
Actuarial Gains/(Losses) on plan assets	0.86	-	(1.01)	0.30
Fair value of plan assets at the end of the year	14.02	-	13.66	-
Total Actuarial Gains/(Losses) to be recognized	-	-	-	0.30
Amount recognized in Balance Sheet				
Present value of defined benefit obligation at the end of the year	(9.72)	(0.18)	(9.22)	(0.58)
Fair value of plan assets at the end of the year	14.02	-	13.66	-
Net (Liability)/Asset recognized in balance sheet	4.30	(0.18)	4.43	(0.58)
Balance Sheet Reconciliation				
Net Liability at the beginning of the year	(4.43)	0.58	24.02	24.13
Expenses recognized during the year	0.14	0.36	44.19	4.88
Net transferred in	-	-	-	-
(Net transfer out)	-	-	(54.54)	(23.73)
Contributions during the year	(0.01)	(0.76)	18.10	4.69
Net (Liability)/Asset recognized in balance sheet	(4.30)	0.18	(4.43)	0.58
Amounts recognized in the profit and loss account				
Current service cost	1.02	0.06	11.81	3.19
Interest cost	1.18	0.07	9.09	1.99
Expected return on plan assets for the year	(1.64)	-	(5.93)	-
Actuarial (Gains)/Losses	(0.42)	0.22	29.22	(0.30)
Expenditure recognized in the profit and loss account	0.14	0.36	44.19	4.88
Actual return on plan assets				
Expected return on plan assets for the year	1.64	-	5.93	-
Actuarial Gains/(Losses) on plan assets	0.86	-	(1.06)	-
Actual return on plan assets	2.50	-	4.93	-
Percentage of each category of plan assets to fair value of plan assets				
Insurer managed funds	14.02	-	13.66	-
Actuarial assumptions				
Discount Rate Current	8.00%	8.00%	8.50%	8.50%
Salary escalation Current	6.00%	6.00%	6.00%	6.00%
Rate of return on plan assets Current	8.70%	0.00%	8.00%	0.00%

The Company's gratuity funds are managed by the Life Insurance Corporation of India and therefore the composition of the fund assets is not presently ascertained.

₹ in Lacs

NOTE 35: VALUE OF IMPORTED AND INDIGENOUS STORES & SPARES CONSUMED

	2011-2013		2010-2011	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	-	-	643.35	100.00

NOTE 36: VALUE OF IMPORTS ON CIF BASIS

	2011-2013	2010-2011
Hot Rolled Coil	1736.25	10371.92
Merchant Import	4246.05	10046.11

NOTE 37: EXPENDITURE IN FOREIGN CURRENCY

	2011-2013	2010-2011
Foreign Travelling	-	1.15
Commission	-	8.37

NOTE 38: EARNING IN FOREIGN CURRENCY

	2011-2013	2010-2011
Steel Export - Calculated on FOB basis	-	1002.80
Merchant Export - Calculated on FOB basis	4311.70	10162.02

NOTE 39: DISCLOSURE PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT WITH STOCK EXCHANGE

A) Loans and Advances in the nature of Advance to Subsidiary

Name of the Company	As at		Maximum Balance Outstanding During Period	
	31 st March, 2013	30 th September, 2011	31 st March, 2013	30 th September, 2011
	-	-	-	-

B) Loans and Advances in the nature of Advance to Related Party

Name of the Company	As at		Maximum Balance Outstanding During Period	
	31 st March, 2013	30 th September, 2011	31 st March, 2013	30 th September, 2011
	-	-	-	-

- C) i) None of the parties to whom loans were given have made investment in the shares of the Company
 ii) The above Advances fall under the category of loans and advances, which are repayable on demand and are interest free.

NOTE 40: The financial statements have been prepared in line with the requirements of Revised Schedule VI of Companies Act, 1956 as introduced by the Ministry of Corporate Affairs from the financial year ended on 31st March, 2012. Accordingly, assets and liabilities are classified between current and non-current considering 12 month period as operating cycle. Consequently, the Company has re-classified previous period figures to confirm to this period's classification.

NOTE 41: The financial statement of current and previous period are for eighteen months.

NOTE 42: General Company Information Significant Accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure "A".

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shahra
Managing Director

Place : Indore
Date : 30th May, 2013

Annexure "A"

General company information and statement of significant accounting policies

1. General Company Information

Ruchi Strips and Alloys Limited was incorporated as a Limited Company on 18th June, 1987.

In the year 2011, Company has transferred its Plant along with Steel Division situated at Village - Sejwaya, Ghatabilloid, District Dhar (Madhya Pradesh) to its wholly owned subsidiary namely RSAL Steel Private Limited.

Now, the main business activity of the Company is Trading activity in Steel & other products.

The shares of the Company are listed at the Bombay Stock Exchange, Mumbai (BSE).

2. Statement of Significant Accounting Policies

a) Basis of Accounting

The financial statements are prepared as a going concern under the historical cost convention on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards Issued by the Institute of Chartered Accountants of India, as applicable and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates

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

c) Revenue Recognition

The Company follows mercantile system of the accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated net of Sales Tax, Value Added Tax, Trade Discounts and Rebates but includes Excise Duty.

Interest income is recognised on time proportion basis.

Income from services is recognised as they are rendered (based on arrangement / agreement with the concern customers).

Dividend income on investments is accounted for as and when the right to receive the payment is established.

The Export incentives are accounted for on accrual basis taking into account certainty of realisation or its subsequent utilisation.

d) Fixed Assets

i. Fixed Assets

Fixed assets are stated at cost of acquisition or construction or development, net of tax / duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use, less depreciation, amortization and impairments, if any.

ii. Capital Expenditure

Assets under erection/installation are shown as "Capital work in progress", Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection/installations of the assets.

e) Depreciation

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition / disposal, except for low value items costing ` 0.05 Lacs or less are written off fully in the year of purchase.

In respect of addition / extensions forming integral part of existing assets and on revised carrying amount of the assets identified as impaired, depreciation has been provided over residual life of the respective fixed assets.

- f) **Borrowing cost**
Borrowing cost attributable to the acquisition or construction of qualifying assets are added to / capitalized as part of the cost of such asset up to the date when such assets is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss as expense in the year in which they are incurred.
- g) **Valuation of Inventories**
Inventories are valued at lower of cost or net realizable value on FIFO basis. Cost of inventory is generally comprises of cost of purchases and other cost incurred in bringing the inventories to their present location and condition.
- h) **Investments**
Investments that are readily realisable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as non current investments. Current Investments are carried at lower of cost or market/fair value.

Non current investments are carried at cost of acquisition. However, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.
- i) **Foreign Currency Transaction**
i. All transactions in foreign currency are recorded at the rates of the exchange prevailing on the dates when the relevant transactions took place; any gain/ loss on account of the fluctuations in the rate of exchange is recognized in the Statement of Profit and Loss.
ii. Monetary items in the form of loans, current assets and current liabilities in foreign currencies at the close of the year are converted in the Indian currency at the appropriate rate of exchange prevailing on the dates of the Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the Statement of Profit and Loss.
iii. In respect of the Forward Exchange Contracts entered into to hedge foreign currency risks, the difference between the Forward Rate and Exchange Rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange difference arising on such contracts are recognized as income or expense along with the exchange difference on the underlying assets/ liabilities.
- j) **Employee Benefits**
(a) **Post-Employment Benefit Plans**
i. Defined Contribution Plan - Contributions to Provident Fund and Family Pension Fund are accrued in accordance with applicable statute and deposited with appropriate authorities.
ii. Defined Benefit Plan
a. The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in Statement of Profit and Loss for the year in which they occur.
b. The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carries out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in the Statement of Profit and Loss.
(b) **Short Term Employee Benefits**
The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.
- k) **Lease Accounting**
As a Lessee
Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss over the period of lease.
- l) **Provision, Contingent Liabilities and Contingent Asset**
Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

m) Taxes on Income

Provision for Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on the timing difference, being the difference between taxable income and the accounting income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

n) Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/ external factors.

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed if there has been an indication that impairment loss recognised for an asset no longer exists or may have decreased.

o) Cash Flow Statement

Cash Flows are reported using indirect method, whereby Profit (loss) before extraordinary items and tax is adjusted for the effect of transactions of non cash nature and any deferrals or accruals of the past or future cash receipts or payments. The Cash Flow from Operating, Investing and Financing activities of the Company is segregated based on the available information.

Independent Auditors' Report

To
The Board of Directors
Ruchi Strips And Alloys Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statement of Ruchi Strips And Alloys Limited (the Company) and its subsidiaries (collectively referred to as the Group) which comprise the consolidated Balance Sheet as at 31st March, 2013, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the eighteen months period then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position and consolidated financial performance and the consolidated Cash Flow of the Company in accordance with the accounting principles generally accepted in India including 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with 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 consolidated financial statements are free of material misstatement.

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

- i. in the case of the Consolidated Balance Sheet of the state of affairs of the Company as at 31st March, 2013;
- ii. in the case of the Consolidated Statement of Profit and Loss, of the Profit for the period ended on that date; and
- iii. in the case of the Consolidated Cash Flow Statement, of the cash flows for the period ended on that date.

For ARUN MAHESHWARI & CO.
Chartered Accountants
(Firm Reg. No. 0870C)

Place : Indore
Date : 30th May 2013

(CA Arun Maheshwari)
Proprietor
M.No 70354

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

₹ in Lacs

Particulars	Note No.	As at 31 st March, 2013	As at 30 th September, 2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	5001.28	5001.28
(b) Reserves and Surplus	2	1312.73	773.40
		6314.01	5774.68
(2) Share Application Money Pending Allotment	3	670.00	-
(3) Non-Current Liabilities			
(a) Long Term Borrowings	4	3222.16	4205.64
(b) Other Non Current Liabilities	5	4.24	2.60
(c) Long Term Provisions	6	66.48	87.67
		3292.88	4295.91
(4) Current Liabilities			
(a) Short Term Borrowings	7	3699.41	3869.08
(b) Trade Payables	8	12994.76	14248.79
(c) Other Current Liabilities	9	5201.35	1430.35
(d) Short Term Provisions	10	460.02	464.59
		22355.54	20012.81
	Total	32632.43	30083.40
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	11	4356.57	3293.89
(ii) Capital Work-in-Progress	11	445.01	882.66
(b) Non Current Investments	12	16.00	16.00
(c) Deferred Tax Asset (Net)	13	401.96	560.98
(d) Long Term Loans and Advances	14	1127.04	1035.12
		6346.58	5788.65
(2) Current Assets			
(a) Inventories	15	9085.64	11965.25
(b) Trade Receivables	16	13424.95	9905.37
(c) Cash and Bank Balances	17	2053.14	2048.85
(d) Short Term Loans and Advances	18	1650.05	267.24
(e) Other Current Assets	19	72.07	108.04
		26285.85	24294.75
	Total	32632.43	30083.40
Notes forming integral part of the financial statements.	1 to 40		
Significant Accounting Policies	40		

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shahra
Managing Director

Place : Indore
Date : 30th May, 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE EIGHTEEN MONTHS ENDED 31ST MARCH, 2013

₹ in Lacs

Particulars	Note No.	For the eighteen Months ended 31 st March, 2013	For the eighteen Months ended 30 th September, 2011
I. INCOME			
a. Revenue from Operations	20	176870.49	110279.15
b. Other Income	21	801.35	524.57
	Total Revenue	<u>177671.84</u>	<u>110803.72</u>
II. EXPENSES			
a. Cost of Materials Consumed	22	37015.99	36987.01
b. Purchases of Stock-in-Trade	23	124923.62	63048.61
c. Changes in inventories of finished goods, Work-in-Progress and Stock-in-Trade	24	787.70	(2095.61)
d. Employee Benefits Expenses	25	1681.16	1503.12
e. Finance Costs	26	5250.15	2919.12
f. Depreciation and Amortization Expenses	11	412.02	446.80
g. Other Expenses	27	6663.61	6220.97
	Total Expenses	<u>176734.25</u>	<u>109030.02</u>
III. Profit before exceptional and extraordinary items and tax		937.59	1773.70
IV. Exceptional Items		-	-
V. Profit before extraordinary items and tax (III-IV)		937.59	1773.70
VI. Extraordinary Items		-	335.04
VII. Profit before tax (V+VI)		<u>937.59</u>	<u>2108.74</u>
VIII. Tax expense:			
a. Current tax		239.24	450.92
b. Deferred tax		159.02	415.96
IX. Profit for the Year (VII-VIII)		<u>539.33</u>	<u>1241.86</u>
X. Earning per Equity share of ₹ 10/- each Basic and Diluted (in ₹)		1.08	1.96
Notes forming integral part of the financial statements. Significant Accounting Policies	1 to 40 40		

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shahra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shahra
Managing Director

Place : Indore
Date : 30th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st MARCH, 2013

₹ in Lacs

PARTICULARS	For the period 2011-2013	For the period 2010-2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
a) Net profit before tax & Extraordinary Item	937.59	1773.70
Adjustment For :		
Depreciation	412.02	446.80
Finance Costs	5250.15	2919.12
Interest Received	(217.23)	(194.86)
(Profit) \ Loss on Sale of Fixed Assets	(1.38)	(239.29)
b) Operating profit before working capital changes	6381.15	4705.47
Adjustment For :		
Trade and other receivables	(4135.92)	(16.52)
Inventories	2879.61	1499.42
Trade and Other Payables	2102.93	(3273.32)
c) Cash Generated from Operations	7227.77	2915.05
Direct Taxes Paid	(203.32)	(254.96)
Net cash flow from operating activities	7024.45	2660.09
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(1861.40)	(933.44)
Sale of fixed assets	3.31	295.19
Purchase of Investments	-	(1.00)
Interest Received	217.23	194.86
Changes in bank balances not considered as cash and cash equivalent	(1900.13)	-
Net cash flow from investing activities	(3540.99)	(444.39)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceed from Share application money	670.00	-
Proceeds / (Repayment) of Borrowing	(799.15)	772.79
Finance Costs	(5250.15)	(2919.12)
Net cash flow from financing activities	(5379.30)	(2146.33)
D. Net Increase/ (Decrease) in Cash and Cash Equivalents	(1895.84)	69.37
Cash and Cash Equivalents at beginning of the Year	2,048.85	1979.48
Cash and Cash Equivalents at and of the Year	153.01	2048.85
Bank balances not considered as cash and cash equivalent	1900.13	-
Cash and Bank balances at the and of the Year	2053.14	2048.85

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shakra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shakra
Managing Director

Place : Indore

Date : 30th May, 2013

CONSOLIDATED NOTES FORMING PART OF THE FINANCIAL STATEMENTS

₹ in Lacs

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
NOTE 1 : SHARE CAPITAL		
Authorised		
5,02,50,000 Equity Shares (Previous year 5,02,50,000 equity shares) of ₹ 10/- each	5025.00	5025.00
17,00,000 (Previous Year 17,00,000) 5% Non Cumulative Redeemable Preference Share of ₹ 100/- each	1700.00	1700.00
	6725.00	6725.00
Issued and Subscribed		
5,00,29,901 Equity Shares (Previous Year 5,00,29,901) of ₹ 10/- each	5002.99	5002.99
Paid-Up		
4,99,95,701 Equity Shares (Previous year 4,99,95,701) of ₹ 10/- each	4999.57	4999.57
Add: Amount originally paid up on forfeited shares	1.71	1.71
	5001.28	5001.28

1.1 The reconciliation of the number of shares and amount outstanding is set out below:

Particulars	As at 31 st March, 2013		As at 30 th September, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Issued and Subscribed				
Equity Shares at the beginning of the year	5,00,29,901	5002.99	5,00,29,901	5002.99
Add : Shares issued during the year	-	-	-	-
	5,00,29,901	5002.99	5,00,29,901	5002.99
Paid-Up				
Equity Shares at the beginning of the year	4,99,95,701	4999.57	4,99,95,701	4999.57
Add : Shares issued during the year	-	-	-	-
Add : Amount paid up on Forfeited Shares	-	1.71	-	1.71
	4,99,95,701	5001.28	4,99,95,701	5001.28

1.2 The Company has one class of equity shares having a par value of ₹ 10/- per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.3 The details of Shareholders holding more than 5% equity shares:

Name of the Shareholders	As at 31 st March, 2013		As at 30 th September, 2011	
	No. of shares held	% Held	No. of shares held	% Held
Rohini Forex Private Limited	33,43,134	6.69	33,43,134	6.69
Jush Developers and Erectors Private Limited	38,06,000	7.61	38,06,000	7.61
Top Seals India Private Limited	69,76,714	13.95	69,76,714	13.95
Joyful Developers Private Limited	38,06,075	7.61	38,06,075	7.61
Money Capfin Private Limited	42,35,796	8.47	42,35,796	8.47
Param Foundation Private Limited	60,53,987	12.11	60,53,987	12.11
Ruchi Acroni Industries Limited	28,37,352	5.68	28,37,352	5.68

₹ in Lacs

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
NOTE 2 : RESERVES AND SURPLUS		
a) Capital Reserve		
Balance as at the beginning of the year	10.00	10.00
Balance as at the end of the year	<u>10.00</u>	<u>10.00</u>
b) Securities Premium Account		
Balance as at the beginning of the year	599.02	108.60
Add: Premium on shares issued during the year	-	490.42
Balance as at the end of the year	<u>599.02</u>	<u>599.02</u>
c) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	164.38	(1086.65)
Add: Surplus for the year	539.33	1241.86
Add: Transfer from Debenture Redemption Reserve	-	9.17
Balance as at the end of the year	<u>703.71</u>	<u>164.38</u>
Total	<u>1312.73</u>	<u>773.40</u>
NOTE 3 : SHARE APPLICATION MONEY PENDING ALLOTMENT		
Shares Application on Redeemable Preference Shares	670.00	-
Total	<u>670.00</u>	<u>-</u>
<p>Note : The company has accepted application money for issue of 5% Non-cumulative redeemable preference shares of ₹ 10/- each amounting to ₹ 670.00 lakhs, for meeting funding needs for the expansion project under execution. The preference shares will be allotted after receiving the full amount envisaged to be raised and obtaining approval of Shareholders.</p>		
NOTE 4 : LONG TERM BORROWINGS		
Secured		
Term Loans		
From Banks	4227.16	4856.64
Less : Shown under Current Maturities of Long Term Debt	1005.00	651.00
Total	<u>3222.16</u>	<u>4205.64</u>
NOTE 5 : OTHER NON CURRENT LIABILITIES		
Security Deposit	4.24	2.60
Total	<u>4.24</u>	<u>2.60</u>
NOTE 6 : LONG TERM PROVISIONS		
For Employee Benefits	66.48	87.67
Total	<u>66.48</u>	<u>87.67</u>
NOTE 7 : SHORT TERM BORROWINGS		
Secured		
Working Capital Loans		
From Banks	3567.30	3250.94
Unsecured		
Intercorporate Deposits	35.00	588.14
Deposits from Public	97.11	30.00
Total	<u>3699.41</u>	<u>3869.08</u>

Note : Working capital loan facilities from Banks are secured by hypothecation of entire stocks of raw materials, stock-in-process, finished goods, stores and spares, stock-in-transit, book debts of one Director and other. The creation of second charge by way of mortgage on all immovable properties together with buildings and other structures thereon and all plant and machineries attached to the earth is under process.

₹ in Lacs

Particulars	As at	
	31 st March, 2013	30 th September, 2011
NOTE 8 : TRADE PAYABLE		
Micro, Small and Medium Enterprises	-	-
Others	12994.76	14248.79
(Refer Note No.30)	<u>12994.76</u>	<u>14248.79</u>
NOTE 9 : OTHER CURRENT LIABILITIES		
Current Maturities of Long Term Debt	1005.00	651.00
Interest accrued but not due on Borrowing	0.77	0.56
Other Payables		
Statutory Dues	202.83	523.71
Overdraft from Bank (as per books)	0.48	-
Advances from Customers	3657.31	20.00
Credit Balance of Employees	0.45	0.26
Other Liabilities	334.51	234.82
Total	<u>5201.35</u>	<u>1430.35</u>
NOTE 10 : SHORT TERM PROVISIONS		
For Employee benefit	27.88	-
For Taxation (Net off advance Tax)	110.09	74.17
For Excise Duty on Closing Stock	322.05	390.42
Total	<u>460.02</u>	<u>464.59</u>

NOTE 11 : FIXED ASSETS

PARTICULARS	GROSS BLOCK (AT COST)					DEPRECIATION				NET BLOCK	
	As at 01.10.2011	Additions	Adjustments	Deductions	As at 31.03.2013	Upto 30.09.2011	For the Year*	On Deductions	Upto 31.03.2013	As at 31.03.2013	As at 30.09.2011
Freehold land	43.09	83.81	-	-	126.90	-	-	-	-	126.90	43.09
Building	723.89	284.76	-	-	1008.65	10.38	36.10	-	46.48	962.17	713.51
Plant & Machinery	2484.88	1074.50	-	-	3559.38	85.50	350.67	-	436.17	3123.21	2399.38
Furniture & Fixtures	36.41	0.12	-	0.15	36.38	1.33	3.55	0.01	4.87	31.51	35.08
Office Equipments	58.51	21.10	-	-	79.61	3.00	14.18	-	17.18	62.43	55.51
Vehicles	49.50	12.34	-	2.10	59.74	2.18	7.52	0.31	9.39	50.35	47.32
Total	3396.28	1476.63	-	2.25	4870.66	102.39	412.02	0.32	514.09	4356.57	3293.89
Previous Year	13268.45	50.84	9859.45	63.56	3396.28	5383.60	775.49	6056.70	102.39	3293.89	-
Capital Work in Progress	-	-	-	-	-	-	-	-	-	445.01	882.66

₹ in Lacs

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
NOTE 12 : NON CURRENT INVESTMENTS		
Other than subsidiaries companies (Non Trade Investment)		
1,50,000 Equity Shares of ₹ 10/- each fully paid in Ruchi Global Limited	15.00	15.00
10,000 Equity Shares of ₹ 10/- each fully paid in NICPL Infralinks Private Limited	1.00	1.00
Total	<u>16.00</u>	<u>16.00</u>
NOTE 13 : DEFERRED TAX ASSETS (NET)		
Deferred Tax Liabilities		
Depreciation difference on Fixed Assets	125.62	14.69
Deferred Tax Assets		
Unabsorbed Depreciation	143.34	140.08
Business Loss	362.47	422.93
Disallowance under the Income Tax Act, 1961	21.77	12.66
Deferred Tax Assets (Net)	<u>401.96</u>	<u>560.98</u>
NOTE 14 : LONG TERM LOANS AND ADVANCES		
Unsecured, considered good		
Capital Advances	822.42	-
Security Deposits	130.63	290.41
Balances with Government Authorities	173.99	744.71
Total	<u>1127.04</u>	<u>1035.12</u>
NOTE 15 : INVENTORIES		
(As valued and certified by management)		
Raw Materials	3384.13	5361.00
Work-in-Progress	1862.04	1874.24
Finished Goods	3556.36	4356.53
Stock-in-Trade	-	43.70
Stores, Spares and Consumables	283.11	329.78
Total	<u>9085.64</u>	<u>11965.25</u>
(Valued at lower of cost or net Realisable value except scrap valued at net realisable value)		
NOTE 16 : TRADE RECEIVABLES		
(Unsecured, considered good)		
Outstanding Over Six Months from the date they are due for payment	-	-
Other debts	13424.95	9905.37
Total	<u>13424.95</u>	<u>9905.37</u>
NOTE 17 : CASH AND BANK BALANCES		
a. Cash and Cash Equivalents		
i. Balances with Banks		
in Current Accounts	129.29	317.74
in Deposit Accounts with maturity upto 3 months against margin money (under lien)	16.58	1725.89
ii. Cash on hand		
	7.14	5.22
	153.01	2048.85
b. Other Bank Balances		
i. having maturity of more than 3 months up to 12 months		
Against margin money (under lien)	1900.13	-
Other deposit	-	-
ii. having maturity more than 12 months		
	-	-
Total	<u>2053.14</u>	<u>2048.85</u>

₹ in Lacs

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
NOTE 18 : SHORT TERM LOANS AND ADVANCES (Unsecured, considered good)		
Security Deposits	0.77	0.77
Loans and Advances to Employees	8.20	0.18
Prepaid Expenses	-	-
Balance with Government Authorities	550.24	-
Advance to Suppliers	941.50	148.52
Other advance recoverable in cash or in kind for value to be received	149.34	117.77
Total	<u>1650.05</u>	<u>267.24</u>
NOTE 19 : OTHER CURRENT ASSETS (Unsecured, considered good)		
Interest Accrued on deposits	17.65	55.83
Insurance Claim Receivable	2.21	-
Export Incentive Receivable	52.21	52.21
Total	<u>72.07</u>	<u>108.04</u>
NOTE 20 : REVENUE FROM OPERATIONS		
(A) Sales of Products	182482.89	115875.16
Job Work Processing Charges	192.59	250.64
(B) Other operating revenue	32.53	-
	<u>182708.01</u>	<u>116125.80</u>
Less : Excise Duty	5837.52	5846.65
Total	<u>176870.49</u>	<u>110279.15</u>
Details of Sales of product		
a) Cold Rolled Strips/Sheets	77607.30	66885.36
b) H.R.Coil	6275.48	-
c) Other steel	54906.24	40355.57
d) Others	43693.87	8634.23
	<u>182482.89</u>	<u>115875.16</u>
NOTE 21 : OTHER INCOME		
Interest Income	217.23	194.86
Profit on sale of Fixed Assets	1.38	239.29
Sales Tax refund	-	-
Other non-operating income	582.74	90.42
Total	<u>801.35</u>	<u>524.57</u>
NOTE 22 : COST OF MATERIALS CONSUMED		
Raw Materials Consumed	37015.99	36987.01
Total	<u>37015.99</u>	<u>36987.01</u>

₹ in Lacs

Particulars	For the eighteen Months ended 31 st March, 2013	For the eighteen Months ended 30 th September, 2011
-------------	--	--

Imported and Indigenous Raw materials and stores & spares consumed :

Raw Material	Period ended 31 st March, 2013	%	Period ended 30 th September, 2011	%
Imported	12585.44	34.00	17754.00	48.00
Indigenous	24430.55	66.00	19233.01	52.00

Details of Raw Materials

Hot Rolled Coils		37015.99	36987.01
Total		<u>37015.99</u>	<u>36987.01</u>

NOTE 23 : PURCHASE OF STOCK-IN-TRADE

Purchase		124923.62	63048.61
Total		<u>124923.62</u>	<u>63048.61</u>

Details of Purchase of Stock-in-Trade

a) Cold Rolled Strips/Sheets (Semi Finished)		-	14567.90
b) H.R. Coil		6062.21	-
c) Other Steel Product		75265.65	39955.65
d) Others		43595.76	8525.06
Total		<u>124923.62</u>	<u>63048.61</u>

NOTE 24 : CHANGES IN INVENTORIES OF FINISHED GOODS,
WORK-IN-PROGRESS AND STOCK-IN-TRADE

Inventory at the end of The Year			
Finished Goods		3556.36	4356.53
Work-in-Progress		1862.04	1874.24
Stock-in-Trade		-	43.70
		<u>5418.40</u>	<u>6274.47</u>
Less: Inventory at the beginning of the year			
Finished Goods		4356.53	2113.16
Work-in-Progress		1874.24	1861.42
Stock-in-Trade		43.70	-
		<u>6274.47</u>	<u>3974.58</u>
Changes in Inventories		<u>856.07</u>	<u>(2299.89)</u>
Variation in Excise duty on closing stock		(68.37)	204.28
Total		<u>787.70</u>	<u>(2095.61)</u>

NOTE 25 : EMPLOYEE BENEFITS EXPENSES

Salaries and Wages		1502.87	1362.93
Contribution to Provident and other funds		77.92	51.77
Staff Welfare Expenses		100.37	88.42
Total		<u>1681.16</u>	<u>1503.12</u>

NOTE 26 : FINANCE COSTS

Interest Expenses		2938.28	2184.57
Other Borrowing Cost		661.24	584.91
Net Loss on Foreign Currency Transactions and Translation		1650.63	149.64
Total		<u>5250.15</u>	<u>2919.12</u>

₹ in Lacs

Particulars	For the eighteen Months ended 31 st March, 2013	For the eighteen Months ended 30 th September, 2011
NOTE 27 : OTHER EXPENSES		
Consumption of Stores, Spares & Consumbles	1088.44	964.39
Power & Fuel	2076.35	1823.45
Processing Charges	204.10	227.06
Rent	74.59	36.87
Repairs to Buildings	18.23	18.72
Repairs to Machinery	29.25	28.42
Repairs Others	58.38	112.90
Insurance	59.03	33.61
Rates and Taxes, excluding Taxes on Income	6.32	2.74
Freight and Forwarding Charges	1928.98	2239.96
Export Expenses	190.31	190.80
Travelling & Conveyance Expenses	169.26	144.92
Miscellaneous Expenses	760.37	397.13
Total	<u>6663.61</u>	<u>6220.97</u>

28. CONTINGENT LIABILITIES AND COMMITMENTS
(To the extent not provided for)

	2011-2013	2010-2011
A. Contingent Liabilities		
i) Outstanding Bank Guarantee	202.44	-
ii) Income Tax/ Sales Tax/Custom Duty/ Excise Duty demands disputed in appeals	431.68	246.62
iii) Estimated liability of Custom Duty which may arise if export obligation is not fulfilled	205.34	-
B. Commitments		
i) Estimated amount of contracts remaining to be executed on capital commitment (Net of Advance)	1135.33	1497.96

29. Trade payables include bills payable for purchase of goods ` 8744.05/- (Previous Year ` 9241.70/-)

30. a. Trade payables includes ` Nil (Previous Year Nil) amount due to Micro, Small and Medium Enterprises registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

b. The details of amount outstanding to Micro, Small and Medium Enterprises are as under:

Particulars	As at 31 st March, 2013	As at 30 th September, 2011
Principle amount due and remain unpaid	-	-
Interest due on above and unpaid interest	-	-
Interest paid	-	-
Payment made beyond appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest due and payable in succeeding years	-	-

c. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

31. RELATED PARTY DISCLOSURE

List of Related Parties and Relationships

- a) Key Management Personnel & their relative
 Mr. Kailash Chandra Shahra Chairman
 Mr. Umesh Shahra Managing Director
 Mr. Arvind Mishra Director
- b) Entities where Key Management Personnel & their relatives of Key Management Personnel have significant Influence over the Company.
 Suyash Trust
 Shahra Bros. Private Limited
 Indian Steel Corporation Limited
 NICPL Infralinks Private Limited (Associate)

Note: Related Party relationship is as identified by the Company and relied upon by the Auditors.

- c) Transaction carried out with related parties referred in above, in ordinary course of business during the existence of related party relationship.

NATURE OF TRANSACTIONS	2011-2013					2010-2011				
	31 (a)			31 (b)		31 (a)			31 (b)	
	Kailash Shahra	Umesh Shahra	Arvind Mishra	Indian Steel Corporation Limited	Suyash Trust	Kailash Shahra	Umesh Shahra	Arvind Mishra	Indian Steel Corporation Limited	Suyash Trust
Sales	-	-	-	4850.14	-	-	-	-	3924.82	-
Purchases	-	-	-	2318.16	-	-	-	-	9207.83	-
Remuneration	-	27.00	22.62	-	-	-	30.44	18.06	-	-
Rent	2.16	-	-	-	0.97	1.80	-	-	-	0.90
Commission Received	-	-	-	36.47	-	-	-	-	-	-
Outstanding:										
Receivable	-	-	-	972.19	-	-	-	-	-	-
Payable	-	-	-	-	-	-	-	-	2269.95	-
Payable against consignment sales	-	-	-	1612.01	-	-	-	-	-	-

32. SEGMENT REPORTING

A) Business Segment

Particulars	Steel		Other		Unallocable		Total	
	2011-2013	2010-2011	2011-2013	2010-2011	2011-2013	2010-2011	2011-2013	2010-2011
Segment Revenue	133759.36	101735.33	43693.87	8634.23	218.61	434.15	177671.84	110803.72
Segment Results (PBIT)	6183.37	4327.61	9.98	60.21	(5.62)	305.00	6187.73	4692.82
Less: Interest	-	-	-	-	-	-	5250.15	2919.12
Profit before exceptional and extraordinary items and tax	-	-	-	-	-	-	937.59	1773.70
Exceptional and Extraordinary Items	-	-	-	-	-	-	-	335.04
Profit Before Tax	-	-	-	-	-	-	937.59	2108.73
Less: Current Tax	-	-	-	-	-	-	239.24	450.92
Deferred Tax (Assets)/Liabilities	-	-	-	-	-	-	159.02	415.95
Profit After Tax	-	-	-	-	-	-	539.33	1241.86
Segment Assets	27914.80	23687.66	1913.87	2831.49	2385.80	2987.28	32214.47	29506.42
Segment Liabilities	15485.77	21597.59	2121.30	2636.41	4.68	0.56	17611.75	24234.56
Capital Expenditure	560.41	22.10	-	-	33.56	28.74	593.96	50.84
Segment Depreciation	386.77	428.02	-	-	25.25	18.78	412.02	446.80
Non Cash expenditure other than depreciation	-	-	-	-	-	-	-	-

b) Secondary Segment Geographical

	2011-2013	2010-2011
The Company operating facilities are located in india.		
Domestic Revenue	176141.91	109038.39
Export Revenue	1529.93	1765.33
Total	177671.84	110803.72

Note :

Unallocable segment liabilities exclude the following :-

(i) Secured Loans		
Long term	3222.16	4205.64
Short Term	3567.31	3250.95
Current maturity of long term debt	1005.00	651.00
(ii) Unsecured Loans short term	132.11	618.14
(iii) Provision for Tax (Net of advance tax)	110.09	74.17

Unallocable segment assets exclude

(i) Non Current Investment	16.00	16.00
(ii) Deferred tax Assets Net	401.96	560.98

₹ in Lacs

33. In the opinion of Board of Directors, current assets, loans and advances have value on realization in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet and that the provision for known liabilities is adequate and reasonable. There are no contingent liabilities other than stated herein above.

34. AUDITORS REMUNERATION	2011-2013	2010-2011
(a) Statutory Audit	2.25	0.75
(b) Tax Audit	0.50	0.75
(c) Other Services	2.05	0.26
(d) Reimbursement of Expenses	0.55	0.30

35. EARNING PER SHARE (EPS)

		2011-2013	2010-2011
I	Basic and Diluted Earning Per Share		
(a)	Net Profit after tax	539.33	1241.86
(b)	Less: Exceptional / Extraordinary Items	-	335.04
(c)	Profit Available for Equity shareholders	539.33	906.82
(d)	Weighted Average Number of Equity Shares	4,99,95,701	4,62,08,979
(e)	Nominal Value of Per Ordinary Share	10	10
(f)	Basic Earning Per Share (in Rs.) not annualized	1.08	1.96

36. DISCLOSURE ON FINANCIAL AND DERIVATIVE INSTRUMENTS

The Company uses foreign currency forward exchange contracts to hedge its exposures in foreign currency related to firm commitment and highly probable forecasted transactions.

- i) Notional amounts of forward contract entered into by the Company and outstanding are as under :

Particulars	2011-2013				2010-2011			
	No. of Contractors	Currency	Amount Payable in Foreign Currency	Equivalent amount in INR	No. of Contractors	Currency	Amount Payable in Foreign Currency	Equivalent amount in INR
Import of Materials	-	-	-	-		US \$	654330.65	323.13

- ii) Foreign currency exposure which are not hedged as at year end :

Particulars	2011-2013				2010-2011		
	Payable in Foreign Currency	Amount in INR	Receivable in Foreign Currency	Amount in INR	Currency	Payable in Foreign Currency	Amount in INR
US \$	14395129.58	7829.41	7071762.00	3846.28	US \$	10664611.42	5456.55
Euro	1117689.97	777.28	-	-	Euro	-	-

37. LEASES - Where Company is Lessee

The Company has taken various premises under operating leases with no restrictions and is renewable / cancelable at the option of either party. There are no sub leases. There are no restrictions imposed by lease arrangements. The Company has not recognized any contingent rent as expense in the Statement of Profit and Loss. The aggregate amount of operating lease payments recognized in the Statement of Profit and Loss is ₹ 74.59 Lacs (Previous period ₹ 36.87 Lacs).

38. The financial statements have been prepared in line with the requirements of Revised Schedule VI of Companies Act, 1956 as introduced by the Ministry of Corporate Affairs from the Financial Year ended on 31st March, 2012. Accordingly, assets and liabilities are classified between current and non-current considering 12 month period as operating cycle. Consequently, the company has re-classified previous period figures to confirm to this period's classification.
39. The financial statement of current and previous period are for eighteen months.
40. General Company Information Significant Accounting Policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure "A".

As per our report of even date

For and on behalf of the Board of Directors

For ARUN MAHESHWARI & CO.
Chartered Accountants

Kailash Chandra Shakra
Chairman

CA Arun Maheshwari
(Proprietor)
Membership No. 70354
(Firm Regn. No. 0870C)

CS Shyam Sunder Agrawal
Company Secretary

Umesh Shakra
Managing Director

Place : Indore
Date : 30th May, 2013

Annexure "A"

Statement of significant accounting policies

a) Basis of Accounting

The financial statements are prepared as a going concern under the historical cost convention on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP), Accounting Standards Issued by the Institute of Chartered Accountants of India, as applicable and the relevant provisions of the Companies Act, 1956.

b) Use of Estimates

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

c) Revenue recognition

The Company follows mercantile system of the accounting and recognises income and expenditure on accrual basis except those with significant uncertainties.

Sales revenue is recognised on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated net of Sales Tax, Value Added Tax, Trade Discounts and Rebates but includes Excise Duty.

Interest income is recognised on time proportion basis.

Income from services is recognised as they are rendered (based on arrangement / agreement with the concern customers).

Dividend income on investments is accounted for as and when the right to receive the payment is established.

The export incentives are accounted for on accrual basis taking into account certainty of realisation or its subsequent utilisation.

d) Fixed Assets

i. Fixed Assets

Fixed assets are stated at cost of acquisition or construction or development, net of tax /duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use, less depreciation, amortization and impairments, if any.

ii. Capital Expenditure

Assets under erection/installation are shown as "Capital Work-in-Progress", Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on erection/installations of the assets.

e) Depreciation

Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Depreciation on assets added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition / disposal, except for low value items costing ` 0.05 Lacs or less are written off fully in the year of purchase.

In respect of addition/extensions forming integral part of existing assets and on revised carrying amount of the assets identified as impaired, depreciation has been provided over residual life of the respective fixed assets.

f) Borrowing Cost

Borrowing cost attributable to the acquisition or construction of qualifying assets are added to / capitalized as part of the cost of such asset up to the date when such assets is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss as expense in the year in which they are incurred.

g) Valuation of Inventories

Inventories are valued at lower of cost or net realizable value on FIFO basis except goods in transit which is stated at cost and value of stores, spares, consumables and packing materials are arrived at on Moving Average Price Basis.

Cost of inventories of Finished goods and work in progress is generally comprises of cost of purchases, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Finished goods lying in the factory premises are valued inclusive of excise duty.

h) Investments

Investments that are readily realisable and are intended to be held for not more than one year, are classified as current investments. All other investments are classified as non current investments. Current Investments are carried at lower of cost or market/fair value.

Non current investments are carried at cost of acquisition. However, no provision is made for diminution in the value of investments, where, in the opinion of the Board of Directors such diminution is temporary.

i) Foreign currency transaction

i. All transactions in foreign currency are recorded at the rates of the exchange prevailing on the dates when the relevant transactions took place; any gain/ loss on account of the fluctuations in the rate of exchange is recognized in the Statement of Profit and Loss.

ii. Monetary items in the form of loans, current assets and current liabilities in foreign currencies at the close of the year are converted in the Indian currency at the appropriate rate of exchange prevailing on the dates of the Balance Sheet. Resultant gain or loss on account of fluctuation in the rate of exchange is recognized in the Statement of Profit and Loss.

iii. In respect of the Forward Exchange Contracts entered into to hedge foreign currency risks, the difference between the Forward Rate and Exchange Rate at the inception of the contract is recognized as income or expense over the life of the contract. Further, the exchange difference arising on such contracts are recognized as income or expense along with the exchange difference on the underlying assets/ liabilities.

j) Employee Benefits

(a) Post-employment benefit plans

i. Defined Contribution Plan - Contributions to Provident Fund and Family Pension Fund are accrued in accordance with applicable statute and deposited with appropriate authorities.

ii. Defined Benefit Plan

a. The liability in respect of leave encashment is determined using actuarial valuation carried out as at Balance Sheet date. Actuarial gains and losses are recognized in full in Statement of Profit and Loss for the year in which they occur.

b. The Company has opted for scheme with Life Insurance Corporation of India to cover its liabilities towards employees gratuity. The annual premium paid to Life Insurance Corporation of India is charged to Profit and Loss Account. The Company also carries out actuarial valuation of gratuity using Projected Unit Credit Method as required by Accounting Standard 15 "Employee Benefits" (Revised 2005) and difference between fair value of plan assets and liability as per actuarial valuation as at year end is recognized in the Statement of Profit and Loss.

(b) Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services. These benefits include compensated absence also.

k) Lease Accounting

As a Lessee

Leases, where risk and reward of ownership, are significantly retained by the lessor are classified as operating leases and lease rentals thereon are charged to the Statement of Profit and Loss over the period of lease.

l) Provision, Contingent Liabilities and Contingent Asset

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is possible that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

m) Taxes on Income

Provision for Current Tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on the timing difference, being the difference between taxable income and the accounting income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

n) Segment Accounting

Segment Accounting Policies :-

Following accounting policies have been followed by the company for segment reporting :

1. The Company has disclosed business segment as the primary segment. Segments have been identified taking into account the type of products, the differing risk and returns and the internal reporting system. The various segments identified by the Company comprised as under :

By products related to each segment have been included in respective segment.

2. Segment revenue, segment results, segment assets and segment liabilities includes respective amounts directly identified with the segment and also an allocation on reasonable basis of amounts not directly identified. The expenses which are not directly relatable to the business segment are shown as unallocable corporate cost. Assets and liabilities that cannot be allocated between the segments are shown as unallocable corporate assets and liabilities respectively. Inter segment revenue are recognized at sale price.

o) Impairment of Assets

The carrying amount of assets are reviewed at each Balance Sheet date, if there is any indication of impairment based on internal/ external factors.

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting period is reversed if there has been an indication that impairment loss recognised for an asset no longer exists or may have decreased.

p) Cash Flow Statement

Cash Flows are reported using indirect method, whereby Profit (loss) before extraordinary items and tax is adjusted for the effect of transactions of non cash nature and any deferrals or accruals of the past or future cash receipts or payments. The Cash Flow from Operating, Investing and Financing activities of the Company is segregated based on the available information.

Basis of Consolidation

The consolidated financial statements of Ruchi Strips and Alloys Limited and its wholly owned subsidiary RSAL Steel Private Limited are prepared in accordance with Accounting Standard 21 (AS-21) as notified by the Companies (accounting standard) Rules, 2006 as applicable on the following basis.

1. The financial statements of the wholly owned subsidiary company used in consolidation is drawn up to the same reporting date as that of the Company.
2. The financial statement of the Company and its wholly owned subsidiary have been combined on a line basis by adding together like items of assets, liabilities, income and expenses.
3. Inter company balances, transactions and resulting unrealized profits or losses have been eliminated in full.

STATEMENT UNDER SECTION 212(8) RELATING TO SUBSIDIARY COMPANY

₹ in Lacs

Name of Subsidiary Company	:	RSAL Steel Private Limited
Relation	:	Wholly owned subsidiary
Date from which it is subsidiary	:	29/12/2010
Capital	:	5079.87
Reserves	:	688.44
Total Assets	:	32098.13
Total Liabilities (Excluding Capital and Reserves)	:	26329.82
Investments (Other than in subsidiary companies)	:	NIL
Turnover	:	121543.41
Profit before taxation	:	708.14
Provision for taxation	:	287.76
Profit after taxation	:	420.38
Proposed Dividend	:	NIL

RUCHI STRIPS AND ALLOYS LIMITED
Registered Office : 611, Tulsiani Chambers, Nariman Point, Mumbai - 400 021

TWENTY FIFTH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

(PLEASE COMPLETE THIS SLIP AND HAND IT OVER AT THE ENTRANCE OF MEETING HALL)

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company to be held on Saturday the 14th day of September, 2013 at 11:30 A.M. at Sunville Deluxe Pavilion, Sunville Building, 9 Dr. Annie Besant Road, Worli, Mumbai - 400018

Name of Shareholder / Proxy (in Block Letters)	Regd. Folio No./ DP ID & Client ID
Signature of Shareholder / Proxy	

Note:

- Member/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.



..... ✂ **CUT HERE** ✂

PROXY FORM

RUCHI STRIPS AND ALLOYS LIMITED
Registered Office : 611, Tulsiani Chambers, Nariman Point, Mumbai - 400 021

I/We of

.....

being a member/s of the Company, hereby appoint

of in District of

or failing him of in the District of

or failing him of in the District of

as my/our Proxy to vote for me / our behalf at the Twenty Fifth Annual General Meeting of the Company to be held on 14th September, 2013 at 11:30 A.M. and at any adjournment thereof.

Signed this day of 2013

Affix
Re. 1/-
Revenue
Stamp

PROXY NAME	REGD. FOLIO/DP ID & CLIENT ID	NO. OF SHARE (S)



Form A

1	Name of the Company	Ruchi Strips And Alloys Limited
2	Annual Financial Statements for the year ended	31 st March 2013
3	Type of Audit observation	Un-qualified
4	Frequency of observation	NA
5	To be signed by- <ul style="list-style-type: none"> • Managing Director • CFO • Auditor of the Company • Audit Committee Chairman 	   