



REALSTRIPS LTD.

Manufacturer of Stainless Steel Strips & Coils

An ISO 9001 : 2000 Certified Company

Regd. Off. : 401-402, "FLORENCE", Opp. Ashram Road Post Office, Ashram Road, Ahmedabad-380 009. Gujarat, INDIA
Ph. : +91-79-2658 0455-1833-8788 Fax : +91-79-4006 8261, 2658 1073 E-mail : info@realstrips.com Visit at : www.realstrips.com



CIN : L27100GJ1990PLC014383

FORM A (As per Clause 31A of Listing Agreement)

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the company	Real Strips Limited
2.	Annual financial statements for the year ended	31 st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5	To be signed by-	
	Shri Arvindkumar D Sanghvi Chief Executive Officer/Managing Director	
	Shri Ramcharan Beriwala Chief Financial Officer	
	Shri Prakash D Shah Auditor of the company	
	Shri Amol Dalal Independent Director Audit Committee Chairman	



BOARD OF DIRECTORS	SHRI A. K. KATARIA (DIN 00435496) SHRI A. D. SANGHVI (DIN 00435340) SHRI UGAMRAJ M. HUNDIA (DIN 00435229) SHRI P. S. JAIN (DIN 00435076) SHRI ASHWIN A. KATARIA (DIN 00434823) SHRI CHANDRESH V. SHAH (DIN 00434710) SHRI PAWANKUMAR R. MURARKA (DIN 00123602) SHRI AMOL DALAL (DIN 00458885) SHRI PUKHRAJ JAIN (DIN 02261061) SHRI ASHISH SHAH (DIN 00007201) SHRI JITENDRA MAMTORA (DIN 00139911)	CHAIRMAN MANAGING DIRECTOR JOINT MANAGING DIRECTOR JOINT MANAGING DIRECTOR WHOLE-TIME DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR DIRECTOR
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AUDITORS : **M/S MEHTA LODHA & CO.**
CHARTERED ACCOUNTANTS

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

REGISTERED OFFICE : 401-402, "FLORENCE"
OPP. ASHRAM ROAD POST OFFICE,
ASHRAM ROAD,
AHMEDABAD - 380 009.
Email Id : ramcharan@realstrips.com
Website : www.realstrips.com
Telephone No. (079) 26580455, 26588788, 26581833
Fax No. (079) 40068261
CIN : L27100GJ1990PLC014383

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

GODOWN : 9-C, ASHWAMEGH
INDUSTRIAL ESTATE,
CHANGODAR,
AHMEDABAD - 382 213.

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

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NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Tuesday the 23rd September, 2014 at the Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad-380 009 at 11.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2014 and Statement of Profit and Loss for the year ended on 31st March 2014 together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Pukhraj Jain who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Prakashraj Jain who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Ashwin Kataria who retires by rotation and is eligible for reappointment.
5. To re-appoint the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 read with Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), M/s. Mehta Lodha & Co., (Firm Registration No 106250W), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Fourth Annual General Meeting (after commencement of the Companies Act 2013), subject to ratification by the shareholders annually, at a remuneration to be decided by the Managing Director in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashish Virendra Shah (DIN 00007201), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014."

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pawankumar Ridhkaran Murarka (DIN 00123602), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014."

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jitendra Ujamshi Mamtara (DIN 00139911), Director of the Company whose period of office is liable to determination by retirement

of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014."

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Chandresh Vrajlal Shah (DIN 00434710), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014."

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Amol Rohit Dalal (DIN 00458885), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014."

11. To consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**.

"**RESOLVED THAT** Pursuant to Section 180 (1) (a) of the Companies Act 2013 consent of the Company be and is hereby accorded to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created or to be created by the company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and /or immovable properties of the company, both present and future and/or whole or any part of the undertaking(s) of the company together with the power to take over the Management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currencies) and Securities comprising fully/partly convertible Debentures with or without detachable and/or secured premium notes and/or floating rates notes bonds or other debt instrument(s) issued or to be issued by the Company from time to time, subject to the limits approved u/s 180 (1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s), Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the company in terms of the Loan Agreement(s)/Heads of document entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s)/Trustee(s)."

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in regard to creating, mortgages/charges as aforesaid."



12. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the M/s. N.D Birla & Co. appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

13. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Place: Ahmedabad
Date: 29th May, 2014

A. K. Kataria
Chairman

Registered Office:

401-402, "Florence",
Opp. Ashram Road Post Office,
Ashram Road,
Ahmedabad-380 009
Phone : +91 79 26580455-2658 1833 - 2658 8788
Fax : +91 79 4006 8261
Email Id : ramcharan@realstrips.com
Website : www.realstrips.com
CIN. : L27100GJ1990PLC014383

NOTES

1. A Member entitled to attend and vote at The Annual General Meeting ("Meeting/AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the company. However, A Member holding more than 10%, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy in order to be valid and effective should be lodged / deposited with the company at its Registered Office at least 48 (Forty Eight) hours before the commencement of the Meeting.
2. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 (corresponding to 173(2) of the Companies Act, 1956), in respect of the special business under item No. 6 and 13 are annexed hereto.
3. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges, on directors recommended for reappointment at the Annual General Meeting, is given in this notice.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 15th September, 2014 to 22nd September, 2014 both days inclusive.



5. Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
6. Members who hold shares in dematerialised form are requested to write their Client – ID and DP – ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication.
8. Pursuant to Section 124 and 125 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend and application money, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.
Members who have not yet encashed their dividend warrant(s) for the financial years 2006-07 onwards, are requested to make their claims without any delay. It may be noted that the unclaimed dividend for the financial year 2006-07 declared on 24.09.2007 can be claimed by the shareholders before 23.10.2014.
9. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. to 1.00 p.m. prior to the date of AGM.
10. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.

Voting in Electronic Form (E-Voting)

11. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the CDSL by electronic means and the business may be transacted through e-Voting Services provided by CDSL.
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab.
 - (iii) Now, select the Electronic Voting Sequence Number - 140809028 along with "Real Strips Limited" from the drop down menu and click on "SUBMIT".
 - (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
 - (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
 - (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*For members who have not updated their PAN with the Depository Participant are requested to use the first two



letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

Any one of the details i.e. DOB or Bank details should be entered for logging into the account. If Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date i.e. 14.08.2014 in the Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and Capture Code click on Forgot Password & enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) In case of members receiving the physical copy:
Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

12. The voting period begins on 16.09.2014 (9.00 a.m.) and ends on 18.09.2014 (6.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
13. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
14. Mr. Ashwin Shah, Practising Company Secretary (Membership No. 1640) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.



15. Members, who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
16. Kindly note that members can opt for only one mode of voting i.e. either by physical ballot or through e-voting. If Members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
17. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company.
18. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicate to the stock exchange.

By Order of the Board

Place: Ahmedabad
Date: 29th May 2014

A. K. Kataria
Chairman

Registered Office:

401-402, "Florence",
Opp. Ashram Road Post Office,
Ashram Road,
Ahmedabad-380 009
Phone : +91 79 26580455-2658 1833 - 2658 8788
Fax : +91 79 4006 8261
Email Id : ramcharan@realstrips.com
Website : www.realstrips.com
CIN. : L27100GJ1990PLC014383

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 6 to 10

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from 1 April, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1 October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this Annual General Meeting.

Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the management.

Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal for the office of Directors of the Company.



In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith.

Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal are deemed to be interested in the resolutions set out respectively at Item Nos. 6 to 10 of the Notice with regard to their respective appointments.

The Board of Directors recommends the said resolutions for your approval.

None of the Directors of the Company except Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal or their relatives or Key Managerial Personnel (KMP) or their relatives is interested in above resolution.

Item No. 11

The Company has through Extra Ordinary General Meeting held on 14.07.2014 has increased the borrowing limits under Section 180 (1) (c) of the Companies Act, 2013 Upto Rs. 1000 crore. The borrowing of the Company are in general required to be secured by suitable mortgage and/or charge on any of movable or immovable properties of the company in such form, manner and ranking as may be required by the lenders and agreed by the Board of Directors of the company.

The mortgage and/or charge by the company of its movable and/or immovable properties and/ or the whole or any part of the undertaking(s) of the company, in favour of lender(s), with a power to take over the Management of the business and concern of the company. Hence, the consent of the company in general meeting is required under the said section for creation of such mortgage/charge.

Your directors recommend to pass the resolution.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution.

Item No. 12

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N.D Birla & Co., Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15, at a fee of Rs. 50,000/- plus applicable taxes and reimbursement of out of pocket expenses, as remuneration for cost audit services for the FY 2014-15.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

The Board of Directors recommends the above resolution for your approval.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution.

Item No. 13

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of AoA is being uploaded on the Company's website for perusal by the shareholders.

The Board of Directors recommends the above resolution for your approval.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution.



Details of Directors seeking Appointment/Re-appointment as per Item No. 6,7,8,9 & 10 of the Ordinary Business/ Special Business in Ensuing Annual General Meeting to be held on 23rd September 2014 are as under:

Particulars	Date of Birth	Date of Appointment	Qualification	Nature of Expertise	Directorships held in other companies	Membership/Chairmanships of committees of other companies (Includes only Audit committee and Shareholder/Investor Grievance Committee)			No. of Shares held in the Company (Real Strips Limited)
						Name of the company	Committee	Position	
Shri Pukhraj Jain	26.01.1945	15.06.2011	Under Graduate	Technical	1. C K Engg Pvt. Ltd.	Nil			121400
Shri Prakashraj Jain	10.08.1956	22.11.1990	Commerce graduate	Administration & Commercial	1. C K Engg Pvt. Ltd. 2. Marudhar Industries Ltd. 3. Platinum Bio Green Energy Ltd.	Nil			53800
Shri Ashwin Kataria	13.02.1970	01.04.2004	B.E.	Administration	1. Kataria Metals & Alloys Pvt. Ltd. 2. Vinay Alloy Steels Pvt. Ltd. 3. Sanskar Metals Pvt. Ltd. 4. Ratnashri Aluminium Pvt. Ltd.	Nil			75000
Shri Ashish V Shah	04-09-1958	06-06-2012	Master Degree	Administration	1. Aarvee Denims and Export Ltd. 2. V B Investment Pvt. Ltd. 3. Kashvi Investment Pvt. Ltd. 4. Kashvi Holding Pvt. Ltd. 5. B. A. Shah Holding Pvt. Ltd. 6. Vikalp Holding Pvt. Ltd. 7. ATPA Swarnim Gujarat Enviro Pvt. Ltd. 8. Narol Textile Infrastructure & Enviro Management	Aarvee Denims and Export Ltd.	Shareholder/ investor Grievance Committee	Member	Nil
Shri Pawankumar R Murarka	19-12-1959	30-10-2003	Inter CA	Accounts & Commercial	1. West Land Estates Ltd. 2. Balar Synfab Pvt. Ltd. 3. Elate Investment & Holding Pvt. Ltd. 4. Vivid Colors Pvt. Ltd. 5. Holystar Buildcon Pvt. Ltd. 6. Sirius Financial Services Pvt. Ltd. 7. Excelex Biopolymers Pvt. Ltd. 8. Vrushabh Trading Company Pvt. Ltd. 9. Kayam Cold Storage Pvt. Ltd. 10. Pinal Infrastructure Pvt. Ltd. 11. Kamal Tea Process & Packing Pvt. Ltd. 12. Sanand Industrial Park Pvt. Ltd.	Nil			Nil
Shri Jitendra U Mamtara	25-04-1946	06-06-2012	Electrical Engineering	Technical	1. Harsha Engineers Ltd. 2. Transformers & Rectifiers (India) Ltd.	Transformers & Rectifiers (India) Ltd.	Audit Committee	Member	Nil
Shri Chandresh V Shah	02-05-1957	05-12-1990	B.Com	Accounts & Commercial	Nil	Nil			20000
Shri Amol R Dalal	13-04-1956	01-04-2004	B.com	Commercial	1. Aarvee Denims and Export Ltd. 2. Pee Vee Synthetics Pvt. Ltd.	Aarvee Denims and Export Ltd.	Audit Committee Shareholder/ Investor Grievance Committee	Member Chairman	7450

By Order of the Board

Place: Ahmedabad
Date: 29th May, 2014

A. K. Kataria
Chairman

Registered Office

401-402, "Florence",
Opp. Ashram Road Post Office,
Ashram Road,
Ahmedabad-380009.

Phone : +91 79 26580455-2658 1833 - 2658 8788

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Email Id : ramcharan@realstrips.com

Website : www.realstrips.com

CIN. : L27100GJ1990PLC014383



DIRECTOR'S REPORT

To,
The Members,

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Accounts of the company for the year ended 31st March 2014.

1. FINANCIAL HIGHLIGHTS :-

	2013-2014 (₹ In Lacs)	2012-13 (₹ In Lacs)
Income for the Year	32342.19	33595.70
Profit before interest, depreciation and tax (PBIDT)	2232.26	2404.56
Less:		
Financial Expenses	1357.62	1176.44
Depreciation	640.71	779.03
Profit / (Loss) before tax	233.93	449.09
Provision for taxation		
(i) Current Income Tax, Wealth Tax	46.98	90.01
(ii) Deferred Tax	3.86	10.79
(iii) MAT Credit Entitlement	(42.69)	(26.70)
Profit after tax	225.78	374.99
Add / (Less): Prior Period Adjustment/Provision of tax for earlier year	4.99	(6.41)
Profit available for appropriation	230.77	368.58
Appropriations		
Opening Balance of Statement of Profit & Loss	2248.39	2035.78
Less: Proposed Dividend on Equity shares	0.00	47.84
Less: Dividend Distribution Tax	0.00	8.13
Less: Transfer to General Reserve	0.00	100.00
Net Balance Carried forward to Balance Sheet	2479.16	2248.39

2. DIVIDEND:-

Due to inadequacy of profit, directors have thought fit to conserve the liquidity. The directors therefore do not recommend dividend for the current year.

3. PERFORMANCE:-

During the year under review the income has decreased to Rs.32342.19 Lacs a decrease of 3.73% over previous year and Profit before Interest, depreciation and tax (PBIDT) has also reduced up to 7.16 % over the previous year.

The Company has started trading of Cold Rolled Stainless Strips/Coils from November'13 in order to generate the revenue and to capture the Local Market. The Company is hopeful that revenue generated through the trading activity will maximize the profit which has shown a decrease in the Current Year.

FUTURE PROSPECTS

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

GREEN ENERGY

The Company has utilized green energy generated from its wind mills. As against the electricity consumption of 8339960 units, the wind mills installed by the company have generated 6588763 units.

4. INDUSTRIAL RELATIONS :-

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

Measures have been taken for Human Resources Development.

5. DIRECTORS :-

The company had, pursuant to the provisions of clause 49 of the Listing Agreement entered into with stock exchange, appointed Mr. Ashish V Shah, Mr. Pawankumar R. Murarka, Mr. Jitendra U. Mamtara, Mr. Chandresh V. Shah and Mr. Amol R. Dalal as Independent Directors of the company. As per Section 149(4) of the Companies Act, 2013, which came into effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors.



In accordance with the provisions of the section 149 of the companies act, 2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the notice of forthcoming Annual General Meeting of the Company.

The Company has received declarations from all the independent Directors of the Company confirming that they meet with the criteria of independent as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the listing agreement with the Stock Exchanges.

Pursuant to requirements of the Companies Act, 2013 and Article of Association of the Company, Shri Ashwin Kataria, Shri Pukhraj Jain and Shri Prakashraj Jain is liable to retire by rotation and being eligible offer himself for re-appointment. The Board recommends the appointment of the Director of the company.

Brief details of Directors proposed to be appointed/re-appointed as required under clause 49 of the Listing Agreement are provided in the Notice of Annual General Meeting forming part of this Annual Report.

6. CORPORATE GOVERNANCE REPORT :-

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

7. DIRECTOR'S RESPONSIBILITY STATEMENT :-

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

- a. that in the preparation of the Accounts for the financial year ended on 31st March, 2014, the applicable standards have been followed along with proper explanation relating to material departures;
- b. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2014 and of the profit of the company for the year ending on that date;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities ;
- d. that the Directors have prepared the accounts for the financial year ended on 31st March, 2014 on a going concern basis.

8. AUDITORS:-

M/s. Mehta Lodha & Co., Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

In terms of the provisions of the Companies Act, 2013 and rules made there under, M/s. Mehta Lodha & Co. can be appointed for a maximum period of three years. Accordingly, Directors have appointed them for the years respectively and now recommended their reappointment as Statutory Auditors of the Company until the conclusion of the next Annual General Meeting of the Company.

The Company has received the letter from the auditors that their reappointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for reappointment within the meaning of section 226 of the said Act.

The Notes on annual accounts referred to it in the Auditor's Report are self-explanatory and do not call for any further comments.

9. COST AUDITOR:-

M/s. N.D. BIRLA & CO., Cost Accountants has been re-appointed as the Cost Auditors to conduct the audit of the Cost Accounts maintained by the company for the Financial Year ended on 31st March, 2015.

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

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

11. PARTICULARS OF EMPLOYEES:-

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

12. ACKNOWLEDGEMENT:-

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

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

For and on behalf of the Board

Place: Ahmedabad
Date: 29th May, 2014

A. K. Kataria
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

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

Industry Overview

India, the world's fourth-largest market for Stainless Steel in the world. Traditionally, stainless steel production growth in India was driven by the demand for Utensils. However, with modernization and market development efforts, considerable demand growth has been registered in sectors like ABC (Architecture, Building and Construction), ART (Automobiles, Railways and Transport). Process Industry (In Chemical & Petrochemical plants, Oil and Gas industry) Power Projects (Nuclear and Solar power projects), consumer durable and other industrial applications. Thus the consumption pattern for Stainless Steel Is Changing rapidly towards a profile which prevalent in more mature Stainless Steel markets.

As per capita Income Consumption ratio of Stainless Steel in India is lesser than China, Japan and Italy as the ratio of the consumption is higher seen in the other countries it seems that there will be tremendous growth opportunities in India also. As Company operating in India, we are affected by the general economic conditions in the Country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust service sector. The overall economic growth will therefore impact the results of its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macro-economic growth.

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

Business Overview

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

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

Production Performance

The company deals in a single product, i.e. cold rolled stainless steel coils/strips. The production of the company in **2013- 2014** is 22780MT.

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

The company has also started trading of cold rolled stainless steel coils/strips. The total quantity sold in 2013-2014 is 6106 MT.

SWOT Analysis

Strengths :

- Large production Capacity enable faster delivers
- Timely up gradation for Technologies used
- Visible Brand equity for "Real" Brand.
- For our company maximum attrition of Customers is due to Quality as we at Real Strips believe in the best quality product for the contents of our customers.

Weakness:

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

Opportunities:

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

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

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

Threats:

- Few options of Raw Material Suppliers and Predator and Non-Competitive Pricing.
- Changes in Government policies may adversely affect the working of the company
- Increasing Production Costs.
- Lack Quality Conscious market
- Too much of Fluctuation in foreign currency rates will make our product expensive.

Risks and Concerns

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

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

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

- **Strategic Risk**

The Steel Industry today faces several significant strategic issues elaborately which includes industry consolidation issues, executions of profitability growth options, raw material linkages and scrutiny, technology and new product development, raising finance from global finance markets, protecting the environment and serving the community while creating values of Shareholder.

- **Business and Operational Risk**

The Management of company headed by the Managing Directors is responsible for managing day to day affairs of the company. The Steel Industry is still highly fragmented and cyclical in Nature as well as demand for steel products is affected by macro economic fluctuations in the global market. The current market downturn made it very difficult for the company to save itself from effects, but periodic review by the management committee to ascertain its depth and whenever it was required made it easy for the company to mitigate the recession and come out of it will less damage compared to other players in the market.

- **Quality Risk**

For a company maximum attrition of the customers is due to quality but, we at Real Strips believe in the best



quality product for content to our customers and Care is taken before selecting a new supplier for any material that is used in company. Company uses the best kind of the material in its process and also manufactured the best quality. The Quality of the product is monitored by the quality control department as well as the samples are tested before supplying to the customers. JUST TO PROVIDE THE BEST QUALITY MATERIAL.

- **Volatility Price Risk**

Price has become the major factor in the steel industry today. Too much of Speculation is observed in the market because of which it become difficult to predict the future of the Industry and demand. Company always tries to find out various options available in the markets to get the best Quality at a cheaper rate and also company with its credit has well bargaining power so is able to cope in the volatile market of Stainless Steel.

Certification

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

Outlook

- **Wind mill division:**

The Company uses Green power Generation from Wind Mill. The company has its own 5 Wind Mills including recently installed of 2.10 MW in February, 2013. Now, the company's total Installed capacity of windmills is 4.90 MW (1.25MW, 0.35MW, 0.60MW (2 Mills) and 2.10MW). The generation of Units from wind mills during the year 2013-14 is 6588763 Units.

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

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

- **Total Quality Management**

The very foundation of the company's growth has been based on Total Quality Management.

Pursuing restless commitment to the quality, the company is constantly innovating process and systems to deliver superior competitive capabilities. TQM is a part of everyday activity and process that the company operates.

- **Human resources**

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

- **Cautionary statement**

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

ANNEXURE - II
Information under section 217 (1) (e) of the Companies Act, 1956
[A] CONSERVATION OF ENERGY:

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

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

DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

(a) Power & Fuel Consumption :		2013-14	2012-13
(1) Electricity :-			
Unit		8339960	9187520
Total Amount	Rs.	62368426	64985872
Rate/ Unit	Rs.	7.48	7.07
(2) Own Generation :-			
{i} Through Diesel Generation Set:			
Units		14328	16976
Diesel Consumed	Ltrs.	5834	5257
Unit per/Ltrs of diesel		2.46	3.23
Diesel cost	Rs.	347179	267179
Cost per unit	Rs.	24.23	15.74
{ii} Through Wind Turbine Generator:			
Units		6588763	4432820
(3) Furnace Oil / Diesel:-			
Consumption	Ltrs.	59299	66424
Value	Rs.	3473724	3281592
Rate/ Unit	Rs.	58.58	49.40
(4) Gas (PNG):-			
Consumption	SCM	2365250	3068861
Value	Rs.	109626443	126687748
Rate/ Unit	Rs.	46.35	41.28
(b) Consumption per unit of Production:		(Standards if any)	
Product- S.S.Coil (Own)	M.T.	22545.910	30720.156
Product- S.S.Coil (Jobwork)	M.T.	234.310	244.884
Total Production		22780.220	30965.040
Electricity- Consumption Per M.T.	Units	366.73	297.25
Furnace Oil / Diesel- Consumption Per M.T.	Ltrs.	2.60	2.15
Gas (PNG)- Consumption per M.T.	SCM	103.83	99.11

[B] TECHNOLOGY ABSORPTION:

The company is using latest technology available.

[C] FOREIGN EXCHANGE EARNINGS:

Earnings	Rs.	2550360	1664792
Out Go	Rs.	13494931	80779681

ANNEXURE - I REPORT ON CORPORATE GOVERNANCE

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

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

Sr. No.	Name of the Directors	Category	No. of Directorship in other companies	No. of chairmanship/ membership in Board Committees.
1	Mr. Amritlal K. Kataria (DIN 00435496)	Chairman & Non-executive director	NIL	1
2	Mr. Arvindkumar D. Sanghvi (DIN 00435340)	Managing Director	3	NIL
3	Mr. Prakashraj Jain (DIN 00435076)	Joint Managing Director	2	3
4	Mr. Ugamraj Hundia (DIN 00435229)	Joint Managing Director	1	NIL
5	Mr. Chandresh Shah (DIN 00434710)	Independent & Non-executive director	NIL	1
6	Mr. Pukhraj Jain (DIN 02261061)	Independent & Non-executive director	NIL	NIL
7	Mr. Pawankumar Murarka (DIN 00123602)	Independent & Non-executive director	1	2
8	Mr. Ashwin A. Kataria (DIN 00434823)	Whole Time & Executive director	NIL	NIL
9	Mr. Amol Dalal (DIN 00458885)	Independent & Non-executive director	1	1
10	Mr. Ashish Shah (DIN 00007201)	Independent & Non-executive director	1	NIL
11	Mr. Jitendra Mamtora (DIN 00139911)	Independent & Non-executive director	2	NIL

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

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

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

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

Certificate of Code of Conduct for the year 2013-14

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

I hereby certify that all the Board Members and Senior Management have affirmed the compliance with the Code of Conduct under a certificate of Code of Conduct for the year 2013-14.

Ahmedabad

A. D. Sanghvi

April 15, 2014

Managing Director

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

The company had, pursuant to the provisions of clause 49 of the Listing Agreement entered into with stock exchange, appointed Mr. Ashish V Shah, Mr. Pawankumar R. Murarka, Mr. Jitendra U. Mamtara, Mr. Chandresh V. Shah and Mr. Amol R. Dalal as Independent Directors of the company.

Mr. Ashwin Kataria, Mr. Pukhraj Jain and Mr. Prakashraj Jain are retiring by rotation in the ensuing Annual General Meeting and resolutions have been proposed for the reappointment.

Mr. Pukhraj Jain is relative of Mr. Prakashraj Jain. Mr. Ashwin Kataria is relative of Mr. Amritlal A. Kataria.

3. BOARD PROCEDURE

In the financial year 2013-14, 6 (six) meetings of Board of Directors were held. The information to be made available to the Board as per Annexure IA forming part of Clause 49 has been complied with. The Board Meetings are generally held at the Registered Office of the Company in Ahmedabad. Calendar of the Board Meeting is fixed in advance for each year. The Board meets at least once a quarter with the gap between two meetings not exceeding four months. The Directors also have access to all the information about the company and are free to recommended inclusion of any matter in the agenda for discussion.

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

Sr.No.	Date of Board Meeting	Chairman
1.	28 th May, 2013	Shri A. K. Kataria
2.	27 th July, 2013	Shri A. K. Kataria
3.	28 th September, 2013	Shri A. K. Kataria
4.	29 th October, 2013	Shri A. K. Kataria
5.	30 th January, 2014	Shri A. K. Kataria
6.	14 th March, 2014	Shri A. K. Kataria

Details of Attendance of the directors at the Board Meetings held during the year 2013-14 and at the last Annual General Meeting are given below:

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

The Details of Shareholding of Directors:

Sr. No.	Name of the Director	No. of shares held as on 31.03.2014
1.	Mr. Amritlal K. Kataria *	69000
2.	Mr. Arvindkumar Sanghvi	260950
3.	Mr. Prakashraj Jain	53800
4.	Mr. Ugamraj Hundia	71600
5.	Mr. Chandresh Shah *	20000
6.	Mr. Pukhraj Jain *	121400
7.	Mr. Pawankumar Murarka *	NIL
8.	Mr. Ashwin A. Kataria	75000
9.	Mr. Amol R. Dalal *	7450
10.	Mr. Ashish Shah*	NIL
11.	Mr. Jitendra Mamotra*	NIL

* Non-executive Directors

4. AUDIT COMMITTEE

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

As on 31st March 2014, the Audit Committee of the Board consists of the two independent Non Executive Director and one Joint Managing Director, as specified below:-

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

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



Quorum of committee is two members, including both the independent directors. Calendar of the meeting is fixed in advance for each year. The committee met four times during the year under review. The committee also met prior to finalization of accounts for the period ended on 31st March, 2014.

Meetings of Audit Committee and attendance is as under:-

Sr. No.	Date of Meetings	No. of Members	Attendance
1.	28 th May, 2013	3	3
2.	27 th July, 2013	3	3
3.	29 th October, 2013	3	3
4.	30 th January, 2014	3	3

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

Audit Committee's terms of reference:

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

- j) Reviewing the Company's financial and risk management policies.
- k) To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- l) Any other function(s)/responsibilities as may be delegated by the Board from time to time.
- m) To review mandatorily the following information
 - 1) Management discussion and analysis of financial condition and results of operations;
 - 2) Statement of significant related party transactions (as defined by the audit committee) submitted by management;
 - 3) Management letters/ letters of internal control weaknesses issued by the statutory auditors;
 - 4) Internal audit reports relating to internal control weaknesses; and
 - 5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

5. REMUNERATION COMMITTEE

As on 31st March 2014, the Remuneration Committee of the Board consists of the two independent & Non Executive Director and one Executive Director as specified below:-

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

During the year under review, remuneration Committee meeting was held on 14th March, 2014.

The Remuneration Committee is responsible for determining and reviewing all matters in respect of remuneration of directors.

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

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

Details of remuneration to all the Directors are as under:

i) Non-Executive Directors:

The details of sitting fees paid to Non-Executive Directors during the financial year 2013-14 are as under:

Sr. No.	Name of Director	Sitting Fees paid to Directors (₹)
1.	Shri A. K. Kataria	10000
2.	Shri Amol Dalal	8000
3.	Shri Chandresh Shah	8000
4.	Shri Pawankumar Murarka	10000
5.	Shri Pukhraj S. Jain	10000
6.	Shri Ashish Shah	8000
7.	Shri Jitendra Mamtora	8000
	TOTAL	62000

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

ii) Executive Directors:

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

Details of remuneration paid to Managing Director, Joint Managing Director and Whole Time Director during the financial year 2013-14 is as under:

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

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

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

6. SHAREHOLDERS' GRIEVANCES COMMITTEE

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

As on 31st March, 2014, the committee consists of following directors:-

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

The committee meeting was held 3 times during the Year 2013-14 on 10.05.2013, 31.05.2013 and 10.10.2013.

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

Sr.	Particulars	Nos recd	Nos Replied
1.	Dividend Related	10	10
2.	Endorsement/Change of Address / Misc	6	6
3.	Share Transfer Requests	3	3
4.	Dematerialisation / Remat Requests	5	5

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

7. GENERAL BODY MEETING

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

Sr. No.	Year	Location	Date	Time	Special approval	Resolution
1.	2012-13	Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad	25.09.13	10.00 a.m	NIL	NIL
2.	2011-12	Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad	22.09.12	10.30 a.m	-Appointment of Director u/s 260 of the Companies Act, 1956	Ordinary Resolution
3.	2010-11	Palki Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge, Ahmedabad	24.09.11	5.00 p.m	-Appointment of Director u/s 257 of the Companies Act, 1956 -Alteration of Article of Association	Special Resolution

No Extra – Ordinary General Meeting was held during last 3 years.

8. DISCLOSURES

- There has been no materially significant related party transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. Audit Committee reviews periodically significant related party transactions i.e. transactions of the company, which are of material nature, with it's directors, or relatives or the management that may have potential conflict with the interest of the Company at large. Details are provided in Note 2.29 in Significant Accounting Policies forming part of the Accounts in accordance with the provisions of Accounting Standard 18.
- There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority.
- The Company has generally complied with all the mandatory requirements as specified in the revised Clause 49 to the extent they apply and extend to the company.
- In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements has been set out in Significant Accounting Policies forming part of the financial statements.
- The Company has laid down procedure to inform the Board Members about the risk assessment and minimization procedure covering the entire gamut of business operations of the company and the same have been reviewed by the Board during the year.
- The CEO (Managing Director) and the CFO have furnished a Certificate to the Board for the year ended on 31st March, 2014 in compliance with the revised Clause 49 V of the Listing Agreement as amended.
- The designated Senior Management Personnel of the company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

9. MEANS OF COMMUNICATION

a. Quarterly Results:

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

b. Newspapers wherein results are normally published:

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

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

10. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

11. GENERAL SHAREHOLDERS' INFORMATION

(a) Annual General Meeting

Date	Time	Venue
23 rd September, 2014	11:30 A.M	Atma Hall (Ahmedabad Textile Mills Association), Ashram Road, Ahmedabad - 380009

(b) Financial Calendar (2014-15) (tentative)

Annual General Meeting	:	In the month of September, 2015
Quarterly Results		
Quarter ending on June 30, 2014		Last Week of July, 2014
Quarter ending on September 30, 2014	:	Last Week of October, 2014
Quarter ending on December 31, 2014	:	Last Week of January, 2015
Annual Result of 2014-15	:	Last week of May, 2015

(c) **Book Closure Date** : 15th September, 2014 to 22nd September, 2014.
(Both days inclusive)

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

Listing fees have been paid for the year 2014-15 as per the Listing Agreement with the respective Stock Exchanges.

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

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

(g) Market Price Data :

Market price data at the Stock Exchange, Mumbai for the year 2013-14 is given below:

Month	Highest (₹)	Lowest (₹)
April 2013	47.05	36.30
May 2013	46.95	33.50
June 2013	45.35	33.55
July 2013	49.80	33.15
August 2013	47.70	31.50
September 2013	38.15	28.25
October 2013	40.70	27.00
November 2013	32.00	20.50
December 2013	27.70	21.10
January 2014	28.25	19.50
February 2014	25.00	21.35
March 2014	24.70	19.95



Registrar and Transfer Agents : M/s MCS Limited
 101, Shatdal Complex, 1st Floor,
 Opp Bata Show Room, Ashram Road,
 Ahmedabad – 380009

Contact Person : Mr. Balasubramaniam/Mr. Jagdish Patel
 Contact Telephone No. : (079)26582878/79, 26584027
 Mobile No. : 09327055153/09898737835

(h) Share Transfer System:

MCS Limited has been acting as the Depository Registrar for establishing connectivity with NSDL and CDSL for Demat Segment and for physical segment as well with effect from 1st April, 2003. MCS Limited uses computerized share transfer system for processing transfer of shares. On the basis of periodic report on various requests received from the shareholders, share transfer and other requests are placed for approval of Shareholders' Grievances Committee. The Company obtains from Mr. Ashwin Shah, Company Secretary in practice half yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement and files a copy of the certificate with the Stock Exchanges.

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

(i) Distribution of Shareholding:

- Distribution of shareholding as on 31.03.2014 is given below:

No. of Equity Shares held	Number of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
1 - 5000	2190	94.64	764058	12.78
5001 - 10000	45	1.94	317325	5.31
10001 - 20000	25	1.08	365075	6.10
20001- 30000	3	0.13	72774	1.22
30001- 40000	8	0.35	275307	4.60
40001- 50000	7	0.30	324900	5.43
50001-100000	22	0.95	1614587	27.00
100001 & above	14	0.61	2245974	37.56
GRAND TOTAL	2314	100.00	5980000	100.00
Physical Mode	882	38.12	160850	2.69
Electronic Mode	1432	61.88	5819150	97.31

- Category of shareholders as on 31st March, 2014:**

Category	No. of Shares Held	Percentage Held
Promoter Holding		
(a) Indian Promoters	455350	7.61
(b) Foreign Promoters	NIL	NIL
(c) Persons Acting in Concert	2634391	44.05
Financial Institutions/ Banks/ Mutual Funds	NIL	NIL
Resident Individuals & Corporates	2882702	48.21
NRI's / OCB	7557	0.13
Grand Total	5980000	100.00

(j) Dematerialization of Shares and Liquidity:

58,19,150 equity shares representing 97.31% of the total Equity Capital of the Company are held in a dematerialised form with National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) as on 31st March, 2014.



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

(k) Corporate Benefits to Shareholders:

a. Dividend declared for the last seven years

Financial Year	Dividend Declaration Date	Dividend per equity share (₹)	Dividend Rate (%)	Face Value per equity share (₹)	Dividend per preference share (₹)	Dividend Rate (%)	Face Value per preference share (₹)
2006-07	24.09.2007	1	10	10	-	-	-
2007-08	25.09.2008	1	10	10	-	-	-
2009-10	25.09.2010	1	10	10	-	-	-
2010-11	24.09.2011	1	10	10	-	-	-
2011-12	22.09.2012	1	10	10	-	-	-
2012-13	25.09.2013	0.80	8	10			

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

All unclaimed/unpaid dividend amount up to financial year 2005-2006 have been transferred to Investors Education & Protection Fund and no claim will lie against the Company or the funds in respect of the unclaimed amount so transferred.

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

(m) Plant Location :

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

(n) Godown Location:

9-C, Ashwamegh Industrial Estate,
Changodar,
Ahmedabad - 382213

(o) Company Registration details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L27100GJ1990PLC014383

(p) Registered Office and Correspondence Address of the Company :

Address for correspondence with the Company is:

Mr. Ramcharan Beriwal

Real Strips Limited

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

Ashram Road

Ahmedabad – 380 009

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

Fax No – (079) 40068261

Website: www.realstrips.com

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



CEO / CFO CERTIFICATE TO WHOMSOEVER IT MAY CONCERN

We Certify to the Board that:

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

For Real Strips Limited

Date: 29th May, 2014
Place: Ahmedabad

Ramcharan Beriwala
Chief Finance Officer

Shri Arvind Sanghvi
Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Real Strips Limited
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by **Real Strips Limited ("the Company")**, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

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

For MEHTA LODHA & CO.
(FIRM REGD. NO.106250W)
CHARTERED ACCOUNTANTS

PLACE: AHMEDABAD
DATE : 29th May, 2014

PRAKASH D. SHAH
PARTNER
M. NO. 34363



INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
REAL STRIPS LIMITED,
Report on the Financial Statements**

We have audited the accompanying financial statements of **REAL STRIPS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 8/2014 dated April 4 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement broadly comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 8/2014 dated April 4 2014 issued by the Ministry of Corporate Affairs.;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

**PLACE: AHMEDABAD
DATE: 29th May, 2014**

**PRAKASH D SHAH
PARTNER
M.No. 34363**

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

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

- (1) (a) The company has maintained records showing full particulars including quantitative details and situation of Fixed assets.
 - (b) As informed to us, a substantial portion of the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such physical verification.
 - (c) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
- (2) (a) As informed to us, during the year the management has conducted physical verification of the inventories and in our opinion the frequency of verification is reasonable.
 - (b) The procedures of physical verification of inventories followed by the management are broadly reasonable and adequate having regard to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventory. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (3) (a) As informed to us, the company has taken unsecured loan from the Companies, Firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. The aggregate of loan outstanding of 4 such persons as on the last day of the year is Rs. 510 Lacs. The rate of interest and the terms of repayment are not stipulated and other terms and conditions are not prima facie prejudicial to the interest of the company.
 - (b) As informed to us, the company has not given loans to the Companies, Firms and other parties listed in the register maintained under section 301 of the Companies Act.
- (4) In our opinion and according to the information and explanations given to us, there are generally adequate internal control procedures commensurate with the size of the company and the nature of its business with regards to purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (5) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956, have been so entered.
 - (b) In respect of transactions with parties with whom transactions exceeding value of Rs. 5 Lacs have been entered into during the financial year, are at the prices which are reasonable having regard to the prevailing market prices at the relevant time, except in case of transactions where we are unable to comment owing to the unique and specialized nature of the items and absence of any comparable prices, whether the transactions are made at the prevailing market prices at the relevant time or not.
- (6) In our opinion and according to the information and explanation given to us, the company has not accepted deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of section 58A, section 58AA and any other relevant provisions of the Act and the rules framed there under.
- (7) The company has an internal audit system commensurate with the nature and size of the business. *However there is scope to enlarge and strengthen the same.*
- (8) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (9) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Customs Duty, Excise Duty and cess were in arrears as at 31st March, 2014 for a period of more than six months from the date they become payable.

- (c) According to the information and explanations given to us, the Company had no disputed outstanding statutory dues as at 31st March 2014 other than those stated below:

Name of the Statute	Nature of dues	₹ in Lacs	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944 Customs Act, 1962 Finance Act, 1994 (Co-Applicant)	Penalty	1.00	2003-04	Hon'ble CESTAT
Central Excise Act, 1944	Service Tax (Penalty)	1.37	2008-09 & 2009-10	Hon'ble Gujarat High Court
Central Excise Act, 1944	Service Tax (Penalty)	1.59	2010-11	Hon'ble CESTAT
Income Tax Act, 1961	Income Tax	0.90	2010-11	Hon'ble Commissioner (Appeals) of Income Tax-XI
Central Excise Act, 1944	Service Tax (Duty)	7.42	2011-12	Hon'ble Commissioner (Appeals-I), Central Excise, Ahmedabad

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

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

PRAKASH D. SHAH
PARTNER
M. No.34363

Place: AHMEDABAD
Date:29th May, 2014



BALANCE SHEET AS AT 31ST MARCH 2014

Sr. No.	PARTICULARS	Note No.	As at 31 st March 2014 ₹	As at 31 st March 2013 ₹
	EQUITY AND LIABILITIES			
	<i>Shareholders' funds</i>			
(a)	Share Capital	2.01	59,750,000	59,750,000
(b)	Reserves & Surplus	2.02	433,116,403	410,039,427
	<i>Non - Current liabilities</i>			
(a)	Long Term Borrowings	2.03	91,000,000	152,068,696
(b)	Deferred Tax Liability (Net)	2.04	33,375,100	32,989,100
(c)	Other Long Term Liabilities	2.05	-	770,572
	<i>Current liabilities</i>			
(a)	Short-term borrowings	2.06	1,602,958,511	1,321,508,393
(b)	Trade Payables	2.07	247,914,518	39,509,838
(c)	Other current liabilities	2.08	85,652,294	108,432,640
(d)	Short Term Provisions	2.09	2,236,558	7,902,862
	TOTAL		2,556,003,384	2,132,971,528
	ASSETS			
	<i>Non-current Assets</i>			
(a)	Fixed Assets			
(i)	Tangible Assets	2.10	513,330,921	511,200,178
(ii)	Intangible Assets	2.10	1,776,762	957,038
(iii)	Capital work-in-progress	2.10	4,196,940	21,199,641
(b)	Non-current Investments	2.11	530,370	330,370
(c)	Long-term loans and advances	2.12	15,469,708	875,330
(d)	Other Non-Current Assets	2.13	15,001	74,981
	<i>Current Assets</i>			
(a)	Inventories	2.14	585,581,156	402,009,574
(b)	Trade Receivables	2.15	1,278,164,027	1,023,129,423
(c)	Cash and Bank Balances	2.16	66,666,422	61,272,983
(d)	Short-term loans and advances	2.17	87,090,580	109,008,540
(e)	Other Current assets	2.18	3,181,497	2,913,470
	TOTAL		2,556,003,384	2,132,971,528

Significant Accounting Policies

1

Notes to Accounts

2

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

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

Prakash D. Shah

Membership No 34363

Partner

For & on behalf of

Mehta Lodha & Co.

Firm Registration No: 106250W

Chartered Accountants**Place: Ahmedabad****Date: 29th May, 2014**

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

A. K. KATARIA

CHAIRMAN

ARVIND D. SANGHVI

MANAGING DIRECTOR

PRAKASHRAJ S. JAIN

JOINT MANAGING DIRECTOR

UGAMRAJ M. HUNDIA

JOINT MANAGING DIRECTOR

RAMCHARAN N. BERIWALA

CHIEF FINANCE OFFICER


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

Sr. No.	PARTICULARS	Note No.	2013-2014 ₹		2012-2013 ₹	
A	Continuing Operations					
	Income					
	Revenue from operations (Gross)	2.19	3,569,848,119		3,708,049,212	
	Less : Excise duty		383,487,202	3,186,360,917	402,288,966	3,305,760,246
	Other Income	2.20		47,858,029		53,809,776
	Total Revenue			3,234,218,946		3,359,570,022
B	Expenditure					
	Cost of Raw Materials Consumed - Hot Rolled Stainless Strips/Coils			2,236,528,273		2,630,717,582
	Purchase of Traded Goods			628,813,436		-
	Changes in Inventories of Finished Goods and Work-in-Progress	2.21		(168,836,676)		101,711,229
	Employee Benefits Expenses	2.22		58,842,808		59,779,805
	Finance Costs	2.23		135,761,718		117,644,081
	Depreciation and amortization expenses	2.10		64,071,348		77,902,702
	Other Expenses	2.24		255,585,280		326,845,232
	Preliminary Expenses Written off			59,980		59,980
	Total Expenses			3,210,826,167		3,314,660,611
	Profit before Tax (A-B)			23,392,779		44,909,411
	Tax Expenses					
	Current Tax			4,673,000		8,980,000
	Less: MAT Credit Entitlement			(4,269,000)		(2,670,230)
	Short Provision of Tax for earlier year			(3,884)		641,142
	Wealth tax			25,000		21,000
	Deferred Tax			386,000		1,079,000
	Profit for the year from continuing operation			22,581,663		36,858,499
	carried to Balance sheet					
	Add/(Less) : Prior Period Adjustment	2.25		495,313		-
	Profit for the year from continuing operation carried to Balance sheet			23,076,976		36,858,499
	Earnings per equity share of Face Value ₹ 10 each:	2.26		3.86		6.16
	Basic and diluted (In ₹)					

Significant Accounting Policies

1

Notes to Accounts

2

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

As per our report of even date attached**Prakash D. Shah**

Membership No 34363

Partner

For & on behalf of

Mehta Lodha & Co.

Firm Registration No: 106250W

Chartered Accountants**Place: Ahmedabad****Date: 29th May, 2014****For & on behalf of the Board of Directors of Real Strips Limited****A. K. KATARIA**

CHAIRMAN

ARVIND D. SANGHVI

MANAGING DIRECTOR

PRAKASHRAJ S. JAIN

JOINT MANAGING DIRECTOR

UGAMRAJ M. HUNDIA

JOINT MANAGING DIRECTOR

RAMCHARAN N. BERIWALA

CHIEF FINANCE OFFICER



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	Year Ended 31 st March 2014 ₹	Year Ended 31 st March 2013 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax & extra-ordinary items	23392779	44909411
Adjusted for		
- Depreciation	64071348	77902702
- Loss/ (Profit) on sale of fixed assets	193879	(9999587)
- Financial Expenses	135761718	117644081
- Interest Income	(67865150)	(10463916)
- Dividend Income	(10796)	(8072)
- Preliminary and Public issue expenses written off	59980	59980
	132210979	175135188
Operating profit before working capital changes :	155603758	220044599
Changes in:-		
- Trade & others receivables	(255302631)	(80172342)
- Inventories	(183571582)	(23540462)
- Long Term Loans & Advances	(14594378)	(29753)
- Short Term Loans & Advances	29767668	(84586554)
- Trade Payables	208404680	(20582626)
- Other Current Liabilities	(20710448)	37548918
- Short Term Provisions	(73263)	305488
- Other Non Current Liabilities	(770572)	0
	(236850526)	(171057331)
Cash generated from operations :	(81246768)	48987268
- Direct taxes paid/payable	(8270824)	(10088196)
Cash flow before extra-ordinary items :	(89517592)	38899072
Extra-ordinary items-Prior period adjustment	495313	0
NET CASH FROM OPERATING ACTIVITIES (A)	(89022279)	38899072
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment	(200000)	0
Purchase of fixed assets and change in Capital Work in Progress	(50418993)	(159793179)
Sale of fixed assets	206000	31336000
Dividend Income	10796	8072
Investments in bank deposits (having original maturity of more than three months)	(2302507)	(9736548)
	(52704704)	(138185655)
NET CASH USED IN INVESTING ACTIVITIES (B)	(52704704)	(138185655)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	(61068696)	39497177
Proceeds from Short Term Borrowings	281450118	175299104
Financial Expenses paid	(137831616)	(117202896)
Interest Income	67865150	10463916
Dividend and Dividend Tax Paid	(5597041)	(6950106)
	144817915	101107195
NET CASH USED IN FINANCING ACTIVITIES (C)	144817915	101107195
NET CHANGES IN CASH & CASH EQUIVALENTS (A)+(B)+(C)	3090932	1820612
OPENING CASH & CASH EQUIVALENTS	6905080	5084468
CLOSING CASH & CASH EQUIVALENTS	9996012	6905080

Notes:

(1) Figures in brackets indicates outflows.

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

As per our report of even date attached

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

Place: Ahmedabad
Date: 29th May, 2014

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

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



NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED ON 31ST MARCH, 2014

Corporate Information

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

1.01 Basis of Preparation of Financial Statements:

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

1.02 Use of Estimates :

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

1.03 Tangible Assets :

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

1.04 Intangible Assets :

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

1.05 Borrowing Costs :

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

1.06 Impairment of Assets :

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

1.07 Provisions, Contingent Liabilities and Contingent Assets :

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

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

1.08 Leases :

Where the Company is the lessee

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

1.09 Deferred Revenue Expenses And Public Issue Expenses:

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

1.10 Depreciation:

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

1.11 Inventories :

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

1.12 Revenue Recognition

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

1.13 Raw Material Consumption :

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

1.14 Excise / Custom Duties:

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

1.15 Foreign Currency Transactions :

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

1.16 Treatment Of Retirement Benefits :

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

1.17 Taxation:

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

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

1.18 Deferred Taxation:

The deferred tax charge or credit is recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Other deferred tax assets are recognised only to the extent there is

reasonable certainty of realisation in future. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date based on development during the year and available case laws, to reassess realisation/liabilities.

1.19 Investment:

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

1.20 Cash and Cash Equivalents

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

1.21 Cash Flow Statement

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

1.22 General

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

NOTE 2 : NOTES TO ACCOUNTS

2.01 SHARE CAPITAL

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

PARTICULARS	As at 31 st March 2014 (Amt In ₹)		As at 31 st March 2013 (Amt In ₹)	
Authorised				
80,00,000 (80,00,000) Equity Shares of ₹ 10 each		80,000,000		80,000,000
5,00,000 (5,00,000) Preference Shares of ₹ 10 each		5,000,000		5,000,000
Issued, Subscribed & Paid up				
59,80,000 (59,80,000) Equity Shares of ₹ 10 each	59,800,000		59,800,000	
Less: Call in Arrears-Other than Directors	(50,000)	59,750,000	(50,000)	59,750,000
Total		59,750,000		59,750,000

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

PARTICULARS	Equity Shares As at 31 st March 2014 Numbers	Equity Shares As at 31 st March 2013 Numbers
	Shares outstanding at the beginning of the Year	5,980,000
Add: Shares issued by Conversion of Warrants	-	-
Less: Shares bought back / Redemption etc.	-	-
Shares outstanding at the end of the Year	5,980,000	5,980,000

c Rights, preference and restriction attached to Equity Shares

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

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

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

e Share Holders holding more than 5% of the Shares

Name of Shareholder	Equity Shares As at 31 st March 2014		Equity Shares As at 31 st March 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Raajratna Stock Holdings Pvt. Ltd	5,691	0.10	315,800	5.28
Ascendum Systems Pvt Ltd	300,000	5.02	300,000	5.02

f Aggregate number of Bonus Shares issued, shares issued for consideration other than Cash and Shares Bought back during the Period of five Years immediately preceding the reporting date.**NIL****g** The Company have calls in arrears / unpaid calls of ₹ 50000/- (P.Y 50000/-) and has not forfeited any shares at balance sheet date.**2.02 RESERVES & SURPLUS**

PARTICULARS	As at 31 st March 2014 (Amt In ₹)		As at 31 st March 2013 (Amt In ₹)	
(A) Capital Reserve				
Government Subsidy				
As per Last Balance Sheet Date		1,500,000		1,500,000
(B) Share Premium Account				
As per Last Balance Sheet Date		108,700,000		108,700,000
(C) General Reserve				
As per Last Balance Sheet Date	75,000,000		65,000,000	
Add: Transfer From Profit & Loss Account	-	75,000,000	10,000,000	75,000,000
(D) Surplus/ (Deficit) in the Statement of Profit and Loss				
As per Last Balance Sheet Date	224,839,427		203,577,969	
Add: Profit for the year	23,076,976		36,858,499	
Less: Transfer to General Reserve	-		10,000,000	
Less: Proposed Dividend on Equity Shares	-		4,784,000	
Less: Dividend Distribution Tax	-	247,916,403	813,041	224,839,427
Total		433,116,403		410,039,427

2.03 LONG TERM BORROWINGS

PARTICULARS	As at 31 st March 2014 (Amt In ₹)		As at 31 st March 2013 (Amt In ₹)	
	Non- Current	Current	Non- Current	Current
Secured				
Term Loans from Bank				
- Rupee Term Loan-[Note No.1(a)]	82,000,000	28,000,000	85,680,000	12,299,940
- Foreign Currency Term Loan-[Note No.1(a)]	-	-	38,388,696	18,945,774
- Corporate Loan-[Note No.1(b)]	9,000,000	14,000,000	28,000,000	16,000,000
	91,000,000	42,000,000	152,068,696	47,245,714
Hire Purchase Finance for Vehicles (Note No.2)	-	-	-	771,579
Total	91,000,000	42,000,000	152,068,696	48,017,293

**Notes:-**

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

(AMT IN ₹)

Maturity Profile	1-2 Years	2-3 Years	3-4 Years	Beyond 4 Years
Long Term Loan From Bank	37,000,000	19,000,000	10,000,000	25,000,000

2.04 DEFERRED TAX LIABILITY (NET)

PARTICULARS	As at 31st March 2014 (Amt In ₹)	As at 31st March 2013 (Amt In ₹)
Deferred Tax Liability (Related to Fixed Assets)	33,375,100	32,989,100
Total	33,375,100	32,989,100

2.05 OTHER LONG - TERM LIABILITIES

PARTICULARS	As at 31st March 2014 (Amt In ₹)	As at 31st March 2013 (Amt In ₹)
Advance Received Against Order	-	770,572
Total	-	770,572

2.06 SHORT TERM BORROWINGS

PARTICULARS	As at 31st March 2014 (Amt In ₹)	As at 31st March 2013 (Amt In ₹)
Secured		
Working Capital Facilities from Banks (Note No.1)	1,329,078,895	1,174,759,982
Subtotal	1,329,078,895	1,174,759,982
Unsecured		
Deposits/ Loans from Related Parties/Directors	51,000,000	-
Others	222,879,616	101,000,000
Working Capital Facilities from Banks	-	45,748,411
Subtotal	273,879,616	146,748,411
Total	1,602,958,511	1,321,508,393

Note :

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

2.07 TRADE PAYABLES

PARTICULARS	As at 31st March 2014 (Amt In ₹)	As at 31st March 2013 (Amt In ₹)
- Others	247,914,518	39,509,838
Total	247,914,518	39,509,838

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

2.08 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March 2014 (Amt In ₹)	As at 31st March 2013 (Amt In ₹)
Unclaimed Dividend #	592,584	601,755
Current Maturity on Long terms Borrowings	42,000,000	48,017,293
Interest Accrued & due on Borrowing	1,822,908	3,511,348
Interest Accrued but not due on Borrowing	356,010	737,468
Creditors for Capital Goods	8,986,965	21,694,487
Advance Received Against Order	13,532,556	17,092,151
Other Liabilities		
Provident Fund & Other Contribution	312,061	354,786
Tax Deducted and Collected at Source	2,713,835	1,169,318
Entry Tax, VAT, CST and Service Tax Payable	5,684,974	7,091,855
Excise Duty on Finished Goods	9,650,401	8,162,179
Total	85,652,294	108,432,640

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

2.09 SHORT TERM PROVISIONS

PARTICULARS	As at 31st March 2014 (Amt In ₹)	As at 31st March 2013 (Amt In ₹)
Provision for Leave Encashment	2,211,558	2,284,821
Provision for Wealth Tax	25,000	21,000
Proposed Dividend	-	4,784,000
Dividend Distribution Tax Payable	-	813,041
Total	2,236,558	7,902,862

2.10 FIXED ASSETS

(Amount in ₹)

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS AT 01/04/2013	ADDITION	DEDUCTION	AS AT 31/03/2014	AS AT 01/04/2013	FOR THE YEAR	DEDUCTION	AS AT 31/03/2014	AS AT 31/03/2014	AS AT 31/03/2013
TANGIBLE ASSETS:										
Own Assets:										
Freehold Land	943,946	-	-	943,946	-	-	-	-	943,946	943,946
Building	141,321,464	6,195,513	-	147,516,977	53,251,336	8,434,828	-	61,686,164	85,830,813	88,070,128
Plant and Machinery	871,195,562	58,182,709	-	929,378,271	462,152,081	52,677,779	-	514,829,860	414,548,411	409,043,481
Office Equipments	702,755	-	-	702,755	495,731	38,580	-	534,311	168,444	207,024
Furnitures & Fixture	11,093,129	121,860	-	11,214,989	7,906,464	587,403	-	8,493,867	2,721,122	3,186,665
Computer	2,443,982	83,250	-	2,527,232	1,852,098	245,056	-	2,097,154	430,078	591,884
Vehicles	12,336,130	1,117,081	884,955	12,568,256	3,179,080	1,186,145	485,076	3,880,149	8,688,107	9,157,050
Total(A)	1,040,036,968	65,700,413	884,955	1,104,852,426	528,836,790	63,169,791	485,076	591,521,505	513,330,921	511,200,178
INTANGIBLE ASSETS:										
Software	1,091,424	1,721,281	-	2,812,705	134,386	901,557	-	1,035,943	1,776,762	957,038
Total(B)	1,091,424	1,721,281	-	2,812,705	134,386	901,557	-	1,035,943	1,776,762	957,038
Total(A+B)	1,041,128,392	67,421,694	884,955	1,107,665,131	528,971,176	64,071,348	485,076	592,557,448	515,107,683	512,157,216
Previous Year	923,690,829	138,906,828	21,469,265	1,041,128,392	451,201,326	77,902,702	132,852	528,971,176	512,157,216	472,489,503
Capital Work in Progress*									4,196,940	21,199,641

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

2.11 NON CURRENT INVESTMENTS

PARTICULARS	As at 31 st March 2014 (Amt In ₹)	As at 31 st March 2013 (Amt In ₹)
Investment in Equity Instruments (Quoted)		
1009 (P.Y 1009) Equity Share of Union Bank of India of ₹ 10/- each	110,990	110,990
Investment in Mutual Funds (Quoted)		
20000 (P.Y 20000) units of SBI Infrastructure Fund of ₹ 10/- each	200,000	200,000
Investment in Mutual Funds (Quoted)		
20000 (P.Y Nil) units of Union KBC Capital Protection Oreinted Fund of ₹ 10/- each	200,000	-
Other Investments		
Silver	19,380	19,380
(Market Value of Quoted Investments ₹ 5,17,596/- (P.Y. ₹ 3,69,407/-))		
Total	530,370	330,370

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

2.12 LONG TERM LOANS & ADVANCES

PARTICULARS	As at 31 st March 2014 (Amt In ₹)	As at 31 st March 2013 (Amt In ₹)
Unsecured Considered Good		
Security Deposits	15,469,708	875,330
Total	15,469,708	875,330

2.13 OTHER NON - CURRENT ASSETS

PARTICULARS	As at 31 st March 2014 (Amt In ₹)	As at 31 st March 2013 (Amt In ₹)
Preliminary Expenses (to the extent not written off or adjusted)	15,001	74,981
Total	15,001	74,981

2.14 INVENTORIES

PARTICULARS (As valued, verified & certified by the Management)	As at 31 st March 2014 (Amt In ₹)		As at 31 st March 2013 (Amt In ₹)	
	a. Raw Material [includes Goods-in-transit ₹ 30,235,938/- (Previous year ₹ 45,282,487/-)]		167,792,582	
b. Work In Process		212,947,187		118,965,457
c. Finished Goods				
- Manufacturing	87,728,080		74,199,222	
- Trading	61,326,088	149,054,168	-	74,199,222
d. Stores and Spares [includes Goods-in-transit ₹ 7,573/- (Previous year ₹ 23,061/-)]		55,787,219		39,865,758
Total		585,581,156		402,009,574

2.15 TRADE RECEIVABLES

PARTICULARS	As at 31 st March 2014 (Amt In ₹)	As at 31 st March 2013 (Amt In ₹)
(Unsecured & Considered doubtful)		
- Over Six Months	-	4,527,529
(Unsecured & Considered good)		
- Over Six Months	138,594,814	68,084,286
- Others	1,139,569,213	950,517,608
Total	1,278,164,027	1,023,129,423

2.16 CASH AND BANK BALANCES

PARTICULARS	As at 31 st March 2014 (Amt In ₹)	As at 31 st March 2013 (Amt In ₹)
a. Cash & Cash Equivalents		
- Balance in Current Account	9,218,476	846,947
- Unclaimed Dividend Account	592,584	601,755
- Cash on Hand	184,952	456,378
- Deposits with original maturity of less than or equal to 3 months*	-	5,000,000
	9,996,012	6,905,080
b. Other Bank Balances		
- Deposits with original maturity of more than 3 months but less than or equal to 12 months*	3,000,000	9,510,815
- Deposits with original maturity of more than 12 months*	53,670,410	44,857,088
Total	66,666,422	61,272,983

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

2.17 SHORT TERM LOANS & ADVANCES

PARTICULARS	As at 31 st March 2014 (Amt In ₹)	As at 31 st March 2013 (Amt In ₹)
Unsecured & Considered Good		
Advance Recoverable In Cash or Kind	4,049,013	52,273,280
Advance for Capital Goods	13,623,774	4,405,860
Others		
Prepaid Expenses	5,097,908	2,719,332
Advances to Staff	490,718	439,618
Balance with Statutory/Government Authorities	49,243,152	41,690,563
MAT Credit Entitlement	11,066,720	6,791,073
Advance Income Tax (Net of Provision)	3,519,295	688,814
Total	87,090,580	109,008,540

2.18 OTHER CURRENT ASSETS

PARTICULARS	As at 31 st March 2014 (Amt In ₹)	As at 31 st March 2013 (Amt In ₹)
Interest Accrued and Due on Bank Fixed Deposits	3,181,497	2,913,470
Total	3,181,497	2,913,470

2.19 REVENUE FROM OPERATIONS

PARTICULARS	2013-14 (Amt In ₹)		2012-13 (Amt In ₹)	
Sale of Cold Rolled Stainless Strips/Coils (Manufacturing)	2,918,424,933		3,706,004,995	
Sale of Cold Rolled Stainless Strips/Coils (Trading)	649,001,411		-	
	3,567,426,344		3,706,004,995	
Less: Excise Duty (Manufacturing)	313,702,456		402,288,966	
Less: Excise Duty (Trading)	69,784,746	3,183,939,142	-	3,303,716,029
Job Work Income		2,421,775		2,044,217
Total		3,186,360,917		3,305,760,246

2.20 OTHER INCOME

PARTICULARS	2013-14 (Amt In ₹)		2012-13 (Amt In ₹)	
Power Generation Income from windmill		41,744,265		38,640,950
Interest Income				
-Bank Fixed Deposits	4,962,031		5,072,523	
-Others	1,001,155	5,963,186	8,404	5,080,927
Dividend Income from Long Term Investment		10,796		8,072
Duty Draw Back & Import Claim		71,872		80,240
VAT Refund		33,705		-
Foreign Exchange Fluctuation on Export		34,205		-
Profit on sale of Fixed Assets (Net)		-		9,999,587
Total		47,858,029		53,809,776

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

PARTICULARS	2013-14 (Amt In ₹)		2012-13 (Amt In ₹)	
Inventories (At year end)				
-Finished Goods - Cold Rolled Stainless Strips/Coils (Trading)	61,326,088		-	
-Finished Goods - Cold Rolled Stainless Strips/Coils	87,728,080		74,199,222	
-Work In Process - Semi Finished Cold Rolled Stainless Strips/Coils	212,947,187	362,001,355	118,965,457	193,164,679
Inventories (At Commencement)				
-Finished Goods - Cold Rolled Stainless Strips/Coils	74,199,222		41,167,707	
-Work In Process - Semi Finished Cold Rolled Stainless Strips/Coils	118,965,457	193,164,679	253,708,201	294,875,908
Total		(168,836,676)		101,711,229

2.22 EMPLOYEE BENEFIT EXPENSES

PARTICULARS	2013-14 (Amt In ₹)	2012-13 (Amt In ₹)
Salaries, Wages and Allowances and Bonus	55,120,400	56,048,794
Contribution to Provident and other funds	1,945,775	1,926,459
Staff Welfare and amenities	1,776,633	1,804,552
Total	58,842,808	59,779,805

2.23 FINANCE COSTS

PARTICULARS	2013-14 (Amt In ₹)		2012-13 (Amt In ₹)	
Interest Expenses				
- Term Loan	20,646,320		17,266,292	
- Bank & Other Loan	102,061,689	122,708,009	80,905,038	98,171,330
Other Borrowing Cost & Charges		16,804,044		16,429,770
Loss on foreign currency transactions and translation		2,306,136		4,065,903
Less: Interest Capitalized		(6,056,471)		(1,022,922)
Total		135,761,718		117,644,081

2.24 OTHER EXPENSES

PARTICULARS	2013-14 (Amt In ₹)		2012-13 (Amt In ₹)	
Manufacturing Expenses				
Power and Fuel	175,815,772		195,222,391	
Stores and Spares	44,778,988		81,787,323	
Job Charges	708,875		1,208,343	
Freight and Octroi	607,188		579,611	
Testing Charges	21,870		40,210	
Machinery Repairs	2,037,226		4,059,013	
Building Repairs	206,256		610,708	

2.24 OTHER EXPENSES [Conted...]

PARTICULARS	2013-14 (Amt In ₹)		2012-13 (Amt In ₹)	
Vehicle & Other Repairs	1,107,530		1,123,806	
Excise duty*	1,488,223		3,633,584	
Effluent Treatment Expense	3,265,463	230,037,391	6,417,057	294,682,046
Establishment/ Administrative Expenses				
Rent Rates and Taxes	155,897		265,180	
Directors' Sitting Fees	62,000		52,000	
Insurance Premium	3,388,129		3,390,483	
(Includes Keyman insurance payment of - ₹ 20,05,340/- P.Y. ₹ 20,05,340/-)				
Postage Telegram & Telephone Expenses	548,908		576,405	
Conveyance Expenses	107,258		88,735	
Traveling Expenses	619,929		940,337	
Printing and Stationery	503,326		556,197	
Vehicle Expenses	1,474,688		1,444,777	
Auditors' Remuneration:				
- Audit Fees	300,000		250,000	
- Tax Audit Fees	35,000		30,000	
- Other Matters	75,000		85,000	
Legal and Professional Charges	1,183,556		1,547,833	
General Expenses#	2,070,082		2,128,853	
Donation	226,280		195,780	
Advertisement	253,480		168,203	
Wind Mill Expenses@	6,794,651		4,024,979	
Foreign Exchange Fluctuation	-		8,668,222	
Loss on sale of Fixed Assets	193,879	17,992,063	-	24,412,984
Selling & Distribution Expenses				
Commission on sales	5,360,515		5,497,711	
Freight and Forwarding Outward & Other Expenses	2,195,311	7,555,826	2,252,491	7,750,202
Total		255,585,280		326,845,232

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

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

@ It includes lease rent paid for windmill.

2.25 PRIOR PERIOD ADJUSTMENT

PARTICULARS	2013-14 (Amt In ₹)	2012-13 (Amt In ₹)
Interest Income	495,313	-
Total	495,313	-

2.26 EARNING PER SHARE (EPS)

PARTICULARS	2013-14 (Amt In ₹)	2012-13 (Amt In ₹)
Net profit attributable to equity shareholders (Amt. In ₹)	23,076,976	36,858,499
Weighted Average number of equity shares used as denominator for calculating EPS	5,980,000	5,980,000
Basic and Diluted Earnings per share (₹)	3.86	6.16
Face Value per equity share (₹)	10	10

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

(₹ In Lacs)

a)	Defined contribution to Provident Fund	Current Year	Previous Year
	Company contribution to Provident Fund	5.30	5.45
	Company contribution to Pension Fund	11.50	11.51
b)	Defined Benefit Plans - Gratuity (Funded)		
a)	Assets recognised in the Balance Sheet		
	i) Present Value of obligation at the beginning of the Period	39.21	29.09
	Current Service Cost	7.58	6.14
	Interest Cost	3.59	0.97
	Actuarial (Gain)/Loss	(3.31)	3.00
	Benefit Paid	-	-
	Present Value of obligation as at year end	47.07	39.21
	Less:		
	ii) Fair Value of Plan Assets at the beginning of the Period	48.00	38.76
	Expected return on Plan Assets	3.93	3.32
	Actuarial gain/(loss)	0.45	0.33
	Employers' Contribution	2.18	5.59
	Benefit Paid	-	-
	Fair Value of Plan Assets as at year end	54.56	48.00
	Amount recognised in the Balance Sheet	-	-
b)	Expenses during the year		
	Service Cost	7.58	6.14
	Interest Cost	3.59	0.97
	Expected return on Plan assets	(3.93)	(3.32)
	Actuarial (Gain)/Loss	(3.76)	2.67
	Total	3.48	6.46
c)	Actual Return on plan assets	4.38	3.66
d)	Break up of Plan Assets as a percentage of total Plan Assets (Percentage or Value)		
	Insurer managed Funds	100%	100%
e)	Principal actuarial assumptions		
	Rate of Discounting	9.15%	8.00%
	Expected return on Plan Assets	8.00%	8.00%
	Rate of increase in Salaries	7.00%	5.00%
	Attrition Rate	5.00%	5.00%

2.28 The company is contingently liable for the followings:-

- Bills discounted and reduced from debtors of ₹ 474.35 Lacs (Previous Year ₹ 302.83 Lacs).
- Letter of credit issued by the bank of ₹ 1.79 Lacs (Previous Year ₹ 5.27 Lacs)

- (c) Bank Guarantee of ₹ 87.38 Lacs (Previous Year ₹ 292.92 Lacs)
- (d) Estimated amount of contracts remaining to be executed on capital account and not provided are ₹ 306.00 Lacs (Previous Year ₹ 10.00 Lacs)
- (e) Disputed statutory Claims/levies in respect of Service Tax for which the company has preferred appeal (including Interest and penalty) of ₹ 11.38 Lacs (Previous Year ₹ 25.93 Lacs) and in respect of income Tax is ₹ 0.90 Lacs (Previous Year ₹ Nil/-)

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

(A) Particulars of Associates

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

(B) Key Management Personnel

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

(C) Relatives of Key Management Personnel

Name of the Related Parties	Nature of Relationship
(i) Mr. A.K. Kataria (HUF)	HUF of Mr. A.K Kataria
(ii) Mr. Vinay A. Kataria	Son of Mr. A.K Kataria

(D) Transactions with Associates :

	Current Year Amount (₹ in Lacs)	Previous Year Amount (₹ in Lacs)
(i) Sale of Finished Goods		
- Raajratna Metal Industries Ltd.	1.85	0.39
- Raajratna Ventures Ltd.	306.92	568.03
(ii) Purchases of Gift Articles		
- Garuda Overseas	1.04	1.27
(iii) Purchases of Raw Materials		
- Raajratna Ventures Ltd.	12.31	0.00
(iv) Job Work Income		
- Raajratna Metal Industries Ltd.	4.71	0.00
- Raajratna Ventures Ltd.	3.59	2.08
(v) Sale of Roll Mat		
- Raajratna Metal Industries Ltd.	3.26	0.00
(vi) Dividend	0.00	29.97

(E) Details of Transactions with Key Management Personnel

(i) Remuneration to Director		
- Mr. Arvind D. Sanghvi	4.80	4.80
- Mr. Prakashraj S. Jain	4.80	4.80
- Mr. Ugamraj M. Hundia	4.80	4.80
- Mr. Ashwin A. Kataria	4.80	4.80
(ii) Salary		
- Mr. Deepak U. Hundia	8.23	8.23
- Mr. Romitraj P. Jain	8.73	8.73
(iii) Director Sitting Fees		
- Mr. A. K. Kataria	0.10	0.10
- Mr. Amol R. Dalal	0.08	0.08
- Mr. Chandresh V. Shah	0.08	0.08
- Mr. Pawankumar R. Murarka	0.10	0.08
- Mr. Pukhraj S. Jain	0.10	0.06
- Mr. Ashish Shah	0.08	0.06
- Mr. Jitendra Mamtora	0.08	0.06
(iv) Unsecured loan taken		
- Mr. A. K. Kataria	22.00	0.00
- Mr. Ashwin A. Kataria	288.00	0.00
- Mr. Prakashraj S. Jain	150.00	0.00
- Mr. Pukhraj S. Jain	50.00	0.00

(F) Details of Transactions with Relatives of Key Management Personnel

(i) Unsecured loan taken		
- Mr. A. K. Kataria (HUF)	18.00	0.00
- Mr. Vinay A. Kataria	4.00	0.00
(ii) Unsecured loan repaid		
- Mr. A. K. Kataria (HUF)	18.00	0.00
- Mr. Vinay A. Kataria	4.00	0.00
(iii) Interest Payment		
- Mr. A. K. Kataria (HUF)	0.10	0.00
- Mr. Vinay A. Kataria	0.01	0.00

(G) Outstanding Payable as at year end

(i) Remuneration to Director		
- Mr. Arvind D. Sanghvi	0.37	0.38
- Mr. Prakashraj S. Jain	0.37	0.37
- Mr. Ugamraj M. Hundia	0.39	0.38
- Mr. Ashwin A. Kataria	0.38	0.38
(ii) Salary		
- Mr. Deepak U. Hundia	0.52	0.49
- Mr. Romitraj P. Jain	0.52	0.52
(iii) Unsecured Loan		
- Mr. A. K. Kataria	22.00	0.00
- Mr. Ashwin A. Kataria	288.00	0.00
- Mr. Prakashraj S. Jain	150.00	0.00
- Mr. Pukhraj S. Jain	50.00	0.00

2.30 Segment Reporting:

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


2.31 Additional information :-

i) C.I.F.Value of Import		2013-14	2012-13
		(Amount in ₹)	(Amount in ₹)
- Raw Materials	₹	-	74,804,659
ii) Earning in Foreign Exchange		2013-14	2012-13
		(Amount in ₹)	(Amount in ₹)
- F.O.B. Value of Export (Realised)	₹	2,550,360	1,664,792
iii) Expenditure in Foreign Currency (on Payment Basis)		2013-14	2012-13
		(Amount in ₹)	(Amount in ₹)
- Capital Expenditure	₹	10,237,497	-
- Revenue Expenditure	₹	-	-
- Interest	₹	2,606,516	5,870,296
- Travelling	₹	650,918	104,726
iv) Composition of Raw Material and Stores and spares		2013-14	2012-13
		% of	% of
		Consumption	Consumption
(a) Raw Material		₹	₹
- Imported		0.00	3.05
- Indigenous		100.00	96.95
		100.00	100.00
		2,236,528,273	2,550,583,464
(b) Stores and Spare Parts		% of	% of
		Consumption	Consumption
- Indigenous		100.00	100.00
		44,778,988	81,787,323

2.32 The Company has determined Pre-operative Expenditure (including borrowing cost) of ₹ 83,43,725/- (Previous Year ₹ 23,24,622/-). Out of which expenditure of ₹ 64,41,112/- has been allocated towards Building and Plant & Machinery and balance expenditure of ₹ 19,02,613/- has been included in capital work in progress.

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

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

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

As per our report of even date attached

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

Place: Ahmedabad
Date: 29th May, 2014

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

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

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REALSTRIPS LTD.

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

NATIONAL ELECTRONIC CLEARING SERVICES (NECS) MANDATE FORM

Dear Investor,

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

FOR REAL STRIPS LTD.

AUTHORIZED SIGNATORY

To
The Branch Manager
MCS Limited
Unit: Real Strips Limited
101, Shatdal Complex, 1st floor,
Opp. Bata Show Room
Ashram Road, Ahmedabad 380 009
Contact No: (079) 26582878/79, 26584027

Dear Sir,

FORM FOR NATIONAL ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

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

For shares held in physical form

FOR OFFICE USE ONLY

NECS REF. NO : _____

Master Folio No:

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For shares held in electronic form:

DP ID:

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Client ID:

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Name of Sole/First Holder

Bank Name & Branch

MICR Code

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

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

Account type

Saving

Current

C.C.

(Please tick)

Account No. (as appearing in the cheque book)

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

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

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

Place : _____

Date : _____

(Signature of Sole/First Holder)

- Whenever the shares in the given folio are entirely dematerialized, then ECS mandate form will stand rescinded.
- For shares held in dematerialized mode nomination is required to be filed with the Depository Participant in their prescribed form on Tuesday, 23rd September, 2014 at 11.30 A.M. at-Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad-380 009.

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INTENTIONALLY LEFT BLANK**



REALSTRIPS LTD.

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

Phone No: +91 79 26580455-26581833 - 26588788 , Fax No: +91 79 40068261

Email Id: ramcharan@realstrips.com, Website: www.realstrips.com

CIN: L27100GJ1990PLC014383

FORM NO. MGT-11_PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : _____

Name of the company : _____

Registered office : _____

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No/Client Id : _____

DP ID : _____

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name : _____

Address : _____

E-mail Id : _____

Signature : _____, or failing him

2. Name : _____

Address : _____

E-mail Id : _____

Signature : _____, or failing him

3. Name : _____

Address : _____

E-mail Id : _____

Signature : _____

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual general meeting of the company, to be held on the Tuesday of 23rd September 2014 At 11.30 a.m. at the Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad - 380 009 (place) and at any adjournment thereof in respect of such resolutions as are indicated below:

Ordinary Business:

1. Adoption of the audited Balance Sheet and Profit & Loss Account for the year ended March 31, 2014 and the reports of the Board of Directors and Auditors thereon (Ordinary resolution).

2. To appoint a Director in place of Shri Pukhraj Jain who retires by rotation and is eligible for reappointment (Ordinary resolution).

3. To appoint a Director in place of Shri Prakashraj Jain who retires by rotation and is eligible for reappointment (Ordinary resolution).

4. To appoint a Director in place of Shri Ashwin Kataria who retires by rotation and is eligible for reappointment (Ordinary resolution).

5. Appointment of Auditors and fixing of their remuneration (Ordinary resolution).

Special Business:

6. Appointment of Mr. Ashish V Shah as an Independent Director of the Company (Special resolution).

7. Appointment of Mr. Pawankumar R Murarka as an Independent Director of the Company (Special resolution).

8. Appointment of Mr. Jitendra U Mamtara as an Independent Director of the Company (Special resolution).

9. Appointment of Mr. Chandresh V Shah as an Independent Director of the Company (Special resolution).

10. Appointment of Mr. Amol R Dalal as an Independent Director of the Company (Special resolution).

11. Increase in Borrowing powers pursuant to section 180(1)(c) of the companies Act, 2013 (Special resolution).

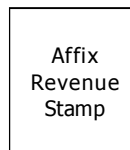
12. Appointment of Cost Auditors and fixing of their remuneration (Special resolution).

13. Alteration of Article of Association (Special resolution).

Signed this _____ day of _____ 2014

Signature of shareholder _____

Signature of Proxy holder(s) _____



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



REALSTRIPS LTD.

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

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. Joint holders may take additional slip on request. (Folio No., DP ID*, Client ID* & name of the shareholder/joint holders/proxy IN BLOCK LETTERS is to be furnished below.)

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

I hereby record my presence at this **23rd ANNUAL GENERAL MEETING** of the company to be held on Tuesday, 23rd September 2014 at 11.30 A.M. at - Atma Hall (Ahmedabad Textile Mills Associations) Ashram Road, Ahmedabad - 380 009 and at any adjournment thereof.

Signature of the Shareholder or Proxy _____

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

NOTICE

NOTICE is hereby given that the **23rd** Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Tuesday the 23rd September, 2014 at the Atma Hall (Ahmedabad Textile Mills Associations) ,Ashram Road, Ahmedabad – 380 009at 11.30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2014 and Statement of Profit and Loss for the year ended on 31st March 2014 together with Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Pukhraj Jain who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Prakashraj Jain who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Ashwin Kataria who retires by rotation and is eligible for reappointment.
5. To re-appoint the Auditors and to fix their remuneration and in this regards pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 read with Companies (Audit and Auditors) Rules 2014 and other applicable provisions, if any, of the Companies Act, 2013 (corresponding to Section 224 and other applicable provisions, if any, of the Companies Act, 1956), M/s. Mehta Lodha & Co., (Firm Registration No 106250W), Chartered Accountants, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the Fourth Annual General Meeting (after commencement of the Companies Act 2013), subject to ratification by the shareholders annually, at a remuneration to be decided by the Managing Director in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ashish Virendra Shah (DIN 00007201), Director of the Company whose period

of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014.”

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Pawankumar Ridhkaran Murarka (DIN 00123602), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014.”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Jitendra Ujamshi Mamtora (DIN 00139911), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014.”

9. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Chandresh Vrajlal Shah (DIN 00434710), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23rd September 2014.”

10. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Amol Rohit Dalal (DIN 00458885), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and who, pursuant to the provisions of the Companies Act, 2013 is no longer liable to retire by rotation and is required to be appointed as an independent director, who has submitted a declaration that he meets with the criteria for independence and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years w.e.f 23th September 2014.”

11. To consider and if thought fit, to pass with or without modification the following resolution as **Special Resolution**.

“RESOLVED THAT Pursuant to Section 180 (1) (a) of the Companies Act 2013 consent of the Company be and is hereby accorded to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges created or to be created by the company, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the movable and /or immovable properties of the company, both present and future and/or whole or any part of the undertaking(s) of the company together with the power to take over the Management of the business and concern of the Company in certain events of default, in favour of the Lender(s), Agent(s) and Trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currencies) and Securities comprising fully/partly convertible Debentures with or without detachable and/or secured premium notes and/or floating rates notes bonds or other debt instrument(s) issued or to be issued by the Company from time to time, subject to the limits approved u/s 180 (1)(c) of the Companies Act, 2013 together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Agent(s), Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the

company in terms of the Loan Agreement(s)/Heads of document entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s) in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s)/Trustee(s)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, writings, papers, agreements as may be required and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulties or doubts that may arise in regard to creating, mortgages/charges as aforesaid."

12. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the M/s. N.D Birla & Co. appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31 March, 2015, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

13. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with rules framed there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board

Place: Ahmedabad
Date: 29th May, 2014

A. K. Kataria
Chairman

Registered Office:

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

Phone : +91 79 26580455-2658 1833 - 2658 8788
Fax : +91 79 4006 8261
Email Id : ramcharan@realstrips.com
Website : www.realstrips.com
CIN. : L27100GJ1990PLC014383

NOTES

1. A Member entitled to attend and vote at The Annual General Meeting ("Meeting/AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself / herself and the proxy need not be a member of the company. A person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10 percent of the total share capital of the company. However, A Member holding more than 10%, of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or member. The instrument appointing proxy in order to be valid and effective should be lodged / deposited with the company at its Registered Office at least 48 (Forty Eight) hours before the commencement of the Meeting.
2. The relative Explanatory Statement, pursuant to Section 102(2) of the Companies Act, 2013 (corresponding to 173(2) of the Companies Act, 1956), in respect of the special business under item No. 6 and 13 are annexed hereto.
3. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges, on directors recommended for reappointment at the Annual General Meeting, is given in this notice.
4. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 15th September, 2014 to 22nd September, 2014 both days inclusive.
5. Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.

6. Members who hold shares in dematerialised form are requested to write their Client – ID and DP – ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication.
8. Pursuant to Section 124 and 125 and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend and application money, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) for the financial years 2006-07 onwards, are requested to make their claims without any delay. It may be noted that the unclaimed dividend for the financial year 2006-07 declared on 24.09.2007 can be claimed by the shareholders before 23.10.2014.

9. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the registered office of the Company on all working days, except Saturday between 11.00 a.m. to 1.00 p.m. prior to the date of AGM.
10. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.

Voting in Electronic Form (E-Voting)

11. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the CDSL by electronic means and the business may be transacted through e-Voting Services provided by CDSL.
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on “Shareholders” tab.
 - (iii) Now, select the Electronic Voting Sequence Number - 140809028 along with “Real Strips Limited” from the drop down menu and click on “SUBMIT”

- (iv) Now Enter your User ID (For CDSL: 16 digits beneficiary ID, For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company and then enter the Captcha Code as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used. If you are a first time user follow the steps given below.
- (vi) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.	

*For members who have not updated their PAN with the Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.

Any one of the details i.e. DOB or Bank details should be entered for logging into the account. If Bank details and Date of Birth are not recorded with the Depository or Company please enter the number of shares held by you as on the cut off date i.e. 14.08.2014 in the Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-

voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xv) If Demat account holder has forgotten the changed password then Enter the User ID and Capture Code click on Forgot Password & enter the details as prompted by the system.
- (xvi) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xvii) In case of members receiving the physical copy:
Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.

12. The voting period begins on 16.09.2014 (9.00 a.m) and ends on 18.09.2014 (6.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 14.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

13. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
14. Mr. Ashwin Shah, Practising Company Secretary (Membership No. 1640) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company.
15. Members, who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
16. Kindly note that members can opt for only one mode of voting i.e. either by physical ballot or through e-voting. If Members are opting for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
17. The voting rights of the Members shall be in proportion to their share in the paid up equity share capital of the Company
18. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be available on the Company’s website within two (2) days of passing of the resolution at the AGM of the Company and communicate to the stock exchange.

By Order of the Board

Place: Ahmedabad
Date: 29th May 2014

A. K. Kataria
Chairman

Registered Office:

401-402, “Florence”,
Opp. Ashram Road Post Office,
Ashram Road,
Ahmedabad – 380 009
Phone: +91 79 26580455-2658 1833 - 2658 8788
Fax : +91 79 4006 8261
Email Id : ramcharan@realstrips.com
Website : www.realstrips.com
CIN : L27100GJ1990PLC014383

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 6 to 10

The Company had, pursuant to the provisions of clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. Ashish V Shah, Mr. Pawankumar R. Murarka, Mr. Jitendra U. Mamtora, Mr. Chandresh V. Shah and Mr. Amol R. Dalal as Independent Directors at various times, in compliance with the requirements of the clause.

Pursuant to the provisions of Section 149 of the Act, which came in to effect from 1 April, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1 October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this Annual General Meeting.

Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtora, Mr. Chandresh V Shah and Mr. Amol R Dalal Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Directors and they are independent of the management.

Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtora, Mr. Chandresh V Shah and Mr. Amol R Dalal are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from member along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtora, Mr. Chandresh V Shah and Mr. Amol R Dalal for the office of Directors of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the annexure to the Explanatory Statement attached herewith.

Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal are deemed to be interested in the resolutions set out respectively at Item Nos. 6 to 10 of the Notice with regard to their respective appointments.

The Board of Directors recommend the said resolutions for your approval.

None of the Directors of the Company except Mr. Ashish V Shah, Mr. Pawankumar R Murarka, Mr. Jitendra U Mamtara, Mr. Chandresh V Shah and Mr. Amol R Dalal or their relatives or Key Managerial Personnel (KMP) or their relatives is interested in above resolution.

Item No. 11

The Company has through Extra Ordinary General Meeting held on 14.07.2014 increasing the borrowing limits under Section 180 (1) (c) of the Companies Act, 2013 Up to Rs. 1000 crore. The borrowing of the Company are in general required to be secured by suitable mortgage and/or charge on any of movable or immovable properties of the company in such form, manner and ranking as may be required by the lenders and agreed by the Board of Directors of the company.

The mortgage and/or charge by the company of its movable and/or immovable properties and/ or the whole or any part of the undertaking(s) of the company, in favour of lender(s), with a power to take over the Management of the business and concern of the company. Hence, the consent of the company in general meeting is required under the said section for creation of such mortgage/charge.

Your directors recommend to pass the resolution.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution.

Item No. 12

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s N.D Birla & Co., Cost Accountants as the Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2014-15, at a fee of Rs. 50,000/- plus applicable taxes and reimbursement of out of pocket expenses, as remuneration for cost audit services for the FY 2014-15.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2015.

The Board of Directors recommend the above resolution for your approval.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution.

Item No. 13

The existing Articles of Association (“AoA”) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific Sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AoA by a set of new Articles.

The new AoA to be substituted in place of existing AoA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The proposed new draft of AoA is being uploaded on the Company's website for perusal by the shareholders.

The Board of Directors recommend the above resolution for your approval.

None of the Directors, Key Managerial Persons and their relatives is interested in above resolution

Details of Directors seeking Appointment/Re-appointment as per Item No. 6,7,8,9 & 10 of the Ordinary Business/Special Resolution in Ensuing Annual General Meeting to be held on 23rd September 2014 are as under:

Particulars	Date of Birth	Date of Appointment	Qualification	Nature of Expertise	Directorships held in other companies	Membership/ Chairmanships of committees of other companies (Includes only Audit committee and Shareholder/ Investor Grievance Committee)			No. of Shares held in the Company (Real Strips Limited)
						Name of the company	Committee	Position	
Shri Pukhraj Jain	26.01.1945	15.06.2011	Under Graduate	Technical	1. C K Engg Pvt. Ltd.	Nil			121400
Shri Prakash Jain	10.08.1956	22.11.1990	Commerce	Administration & Commercial	1. C K Engg Pvt. Ltd. 2. Marudhar Industries Limited	Nil			53800

			graduate		3. Platinum Bio Green Energy Limited				
Shri Ashwin Katariya	13.02.1970	01.04.2004	B.E.	Administration	1. Kataria Metals & alloys Pvt. Ltd. 2. Vinay Alloy Steels Pvt. Ltd. 3. Sanskar Metals Pvt. Ltd. 4. Ratnashri Aluminium Pvt. Ltd.	Nil			75000
Shri Ashish V Shah	04-09-1958	06-06-2012	Master Degree	Administration	1. Aarvee Denims and Export Ltd 2. V B Investment Pvt. Ltd. 3. Kashvi Investment Pvt. Ltd. 4. Kashvi Holding Pvt. Ltd. 5. B.A Shah Holding Pvt. Ltd. 6. Vikalp Holding Pvt. Ltd. 7. ATPA Swarnim Gujarat Enviro Pvt. Ltd. 8. Narol Textile Infrastructure & Enviro Managaemen.	Aarvee Denims and Export Ltd	Share holder/investor Grievance Committee	Member	Nil
Shri Pawan kumar R Murarka	19-12-1959	30-10-2003	Inter CA	Accounts & Commercial	1. West Land Estates Limited 2. Balar Synfab Pvt. Ltd. 3. Elate Investment & Holding Pvt. Ltd. 4. Vivid Colors Pvt. Ltd. 5. Holystar Buildcon Pvt. Ltd. 6. Sirius Financial Services Pvt. Ltd.	Nil			Nil

					7. Excelex Biopolymers Pvt. Ltd. 8. Vrushabh Trading Company Pvt. Ltd. 9. Kayam Cold Storage Pvt. Ltd. 10. Pinal Infrastructure Pvt. Ltd. 11. Kamal Tea Process & Packing Pvt. Ltd. 12. Sanand Industrial Park Pvt. Ltd.				
Shri Jitendra U Mamt ora	25-04-1946	06-06-2012	Electrical Engineering	Technical	1. Harsha Engineers Limited 2. Transformers & Rectifiers (India) Ltd.	Transformers & Rectifiers (India) Ltd.	Audit Committee	Member	Nil
Shri Chandresh V Shah	02-05-1957	05-12-1990	B.Com	Accounts & Commercial	Nil	Nil			20000
Shri Amol R Dalal	13-04-1956	01-04-2004	B.com	Commercial	1. Aarvee Denims and Export Ltd. 2. Pee Vee Synthetics Pvt. Ltd.	Aarvee Denims and Export Ltd.	Audit Committee Shareholder/Investor Grievance Committee	Member Chairman	7450

Place: Ahmedabad
Date: 29th May, 2014

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By Order of the Board

A. K. Kataria
Chairman