

17TH ANNUAL REPORT 2007-2008

REPORT



REAL STRIPS LIMITED
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**REAL STRIPS LIMITED****17th Annual Report 2007-08****BOARD OF DIRECTORS :****SHRI A.K. KATARIA****CHAIRMAN****SHRI ARVINDKUMAR D. SANGHVI****MANAGING DIRECTOR****SHRI UGAMRAJ M. HUNDIA****JOINT MANAGING DIRECTOR****SHRI PRAKASHRAJ S. JAIN****JOINT MANAGING DIRECTOR****SHRI ASHWIN A. KATARIA****WHOLE-TIME DIRECTOR****SHRI BABULAL S. JAIN****DIRECTOR****SHRI CHANDRESH V. SHAH****DIRECTOR****SHRI PAWANKUMAR R. MURARKA****DIRECTOR****SHRI AMOL R. DALAL****DIRECTOR****AUDITORS :****M/S MEHTA LODHA & CO.
CHARTERED ACCOUNTANTS****BANKERS :****UNION BANK OF INDIA
STATE BANK OF INDIA****REGISTERED OFFICE :****401-402, "FLORENCE"
OPP. ASHRAM ROAD POST OFFICE,
ASHRAM ROAD,
AHMEDABAD-380 009.****WORKS :****SURVEY NO.245
VILLAGE : SARI
AHMEDABAD-BAVLA HIGHWAY
TALUKA : SANAND
DIST : AHMEDABAD
PIN CODE-382 220**

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**REAL STRIPS LIMITED****17th Annual Report 2007-08****NOTICE**

NOTICE IS HEREBY GIVEN THAT the 17th Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Thursday, 25th September 2008 at 4.30 p.m. at Chandan Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge,

1. To consider and adopt the Audited Balance Sheet as on 31st March 2008 and Profit and Loss Account for the year ended on 31st March 2008 together with Director's and Auditor's Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Shri A. K. Kataria who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Pawankumar Murarka who retires by rotation and is eligible for reappointment.
5. To appoint the Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board

Place: Ahmedabad

Date: 30th June 2008

A. K. Kataria
Chairman

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll and that a proxy need not be a member. Proxies, in order to be effective, forms must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.
2. Additional information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, on directors recommended for reappointment at the Annual General Meeting, is given in this notice.
3. The Register of Beneficial Owners, Register of Members and Share Transfer Book of the Company shall remain closed from 16th September 2008 to 19th September 2008, both days inclusive.
4. Members / proxies should bring their copy of the Annual Report and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
5. Members who hold shares in dematerialized 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.
6. Details of Directors seeking re-appointment as per Item No. 3 and 4 of the Ordinary Business in ensuing Annual General Meeting to be held on 25th September, 2008 are as under:

Name of Directors	Shri A. K. Kataria	Shri Pawankumar Murarka
Date of Birth	15.06.1942	19.12.1959
Date of Appointment	19.09.1990	30.10.2003
Expertise in specific functional areas	Technical & Administration	Accounts & Commercial
List of outside Directorship Held	Nil	Nil
Chairman / Member of the Committee of the Board of Directors of the Company	1	1
Chairman / Member of the Committee of the Board of Directors of other Public Limited Company	Nil	Nil
Shareholding (No. of Equity shares of Rs. 10/- each)	222900	Nil
Relationship with other Directors	Yes	No

Place : Ahmedabad

Date : 30th June 2008

By Order of the Board

A.K. Kataria
Chairman

Registered Office

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



DIRECTOR'S REPORT

To,

The Members,

Your Directors have pleasure in presenting the 17th ANNUAL REPORT together with the Audited Accounts of the company for the year ended 31st March 2008.

1) ACCOUNTS AND FINANCIAL MATTERS:-

	2007-2008 (Rs. In Lacs)	2006-2007 (Rs. In Lacs)
Income of the year was	11169.18	7924.23
The year's working shows a Gross Profit of	729.04	795.69
Out of which, Provisions have been made for :-		
Less: Depreciation	408.46	340.29
Less: Provision for Taxation		
(i) Current Income Tax, Wealth Tax, Fringe Benefit Tax	38.67	54.70
(ii) Deferred Tax	73.13	75.81
Profit after Income Tax	208.78	324.89
Add/(Less): Prior Period Adjustment	10.12	(5.58)
	218.90	319.31
Add: Opening Balance of Profit & Loss Account	839.62	758.68
Less: Transfer of General Reserve	50.00	200.00
Less: Proposed Dividend	37.80	32.80
Less: Dividend Distribution Tax	6.42	5.57
Net Profit Carried forward to Balance sheet	964.30	839.62

2) DIVIDEND:-

Your Directors are pleased to propose dividend @10% for the year under review.

3) OPERATIONS:-

During the year review the turnover has gone up to Rs. 11169.18 Lacs, an increase of 40.95% over the previous year.

a) FUTURE PROSPECTS:-

Your Directors are happy to inform you that new HRAP line & other machineries are installed and we shall get its benefit in the year 2008-09 & new CRAP line is also being installed and is expected to be completed by the end of September 2008. It will further add to the production capacity of your company.

b) GREEN ENERGY:-

As against the electricity consumption of 4318820 units, the wind mills installed by the company have generated 4932795 units.

4) MOBILISATION OF RESOURCES:-

During the year under review 5,00,000 equity shares of Rs. 10/- each were issued at a premium of Rs. 37/- per share on preferential basis to non promoters who had shown interest in investing in the equity of the Company. The amount so raised has been utilized for part funding the capital expenditure for putting up HRAP Line and other balancing equipments. The new equity shares have already been listed on Bombay Stock Exchange and Ahmedabad Stock Exchange.

5) INDUSTRIAL RELATIONS:-

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

Measures have been taken for Human Resource Development.

**6) DIRECTORS:-**

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

7) INSURANCE:-

The Assets of the company have been adequately insured.

8) PUBLIC DEPOSIT:-

During the period under review the company has not mobilized resources by way of deposit from the public.

9) 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 Auditors of the company regarding compliance of conditions of Corporate Governance is given as **Annexure I** which is attached hereto.

10) 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:

- 1) that in the preparation of the Accounts for the financial year ended 31st March 2008 the applicable standards has been followed along with proper explanations relating to material departures;
- 2) 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 2008 and of the profit of the company for the year ending on that date ;
- 3) 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;
- 4) that the Directors have prepared the accounts for the financial year ended on 31st March 2008 on a going concern basis.

11) AUDITORS:-

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

12) 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 relating to Energy conservation, Technology Absorption, Foreign Exchange Earning and Outgo are given as Annexure-II, which is attached hereto and forms part of the Director's Report.

13) 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.

14) 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 : 30th June 2008

A. K. Kataria
Chairman



ANNEXURE-I REPORT ON CORPORATE GOVERNANCE

(As required under clause 49 of the Listing Agreement entered into with the Stock Exchange)

Introduction:

"Best results would be achieved when the companies begin to treat the code not as a mere structure, but as a way of life"

- Excerpts from Kumara Mangalam Birla Committee Report on Corporate Governance

The elements and forms of Corporate Governance continue to evolve over time and keep changing with new developments and learning but the cornerstones of transparency, fairness, accountability and integrity remain unchanged. Good Corporate Governance augments superior corporate performance and makes excellent business sense. Good Corporate Governance is a continuous process and is achieved through an optimum mix of transparent and fair conduct, disclosures and practices and regulatory compliances that enhances the trust of various interest groups like shareholders, customers, employees, suppliers and society at large. Your Company has always recognized the importance of Corporate Governance. The detail report as per the requirement of Listing Agreements, Practice followed by the Company and detailing other voluntary compliances is given below.

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 dealing 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, 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 Agreements of Corporate Governance. The Board of Directors of your Company comprises nine directors composition of the Board and the category of the Directors as well as details of their directorship/membership in other companies/committees as on 31st March 2008 is given below:

Sr. No.	Name of the Directors	Category	No. of Directorship in other companies	No. of chairmanship/ membership in Board Committees.
1	Shri A. K. Kataria	Chairman & Non-executive Director	NIL	1
2	Shri Arvindkumar D. Sanghvi	Managing Director	2	NIL
3	Shri Prakashraj S. Jain	Joint Managing Director	NIL	2
4	Shri Ugamraj M. Hundia	Joint Managing Director	NIL	NIL
5	Shri Chandresh V. Shah	Independent & Non-executive Director	NIL	1
6	Shri Babulal S. Jain	Independent & Non-executive Director	NIL	NIL
7	Shri Pawankumar R. Murarka	Independent & Non-executive director	NIL	1
8	Shri Ashwin A. Kataria	Whole-time & Executive Director	NIL	NIL
9	Shri Amol R. Dalal	Independent & Non-executive Director	NIL	NIL

None of above directors is a member in any Committees or acts as Chairman in any committees across all Companies in which he is a director

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.

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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 Agreements 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 laid down a Code of Conduct for all 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 2007-08

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 2007-08.

Ahmedabad
June 30, 2008

Arvindkumar. D. Sanghvi
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.

Resolutions have been proposed for the reappointment of Mr. A. K. Kataria and Mr. Pawankumar Murarka in ensuing Annual General Meeting. Mr. A. K. Kataria is relative of Mr. Ashwin Kataria. Mr. Pawankumar Murarka is not related to any of the Directors of the Company.

3) Board Procedure

In the financial year 2007-08, seven 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 recommend 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	25 th May 2007	Shri A. K. Kataria
2	29 th June 2007	Shri A. K. Kataria
3	14 th July 2007	Shri A. K. Kataria
4	30 th July 2007	Shri A. K. Kataria
5	17 th October 2007	Shri A. K. Kataria
6	23 rd October 2007	Shri A. K. Kataria
7	29 th January 2008	Shri A. K. Kataria

Details of Attendance of the directors at the Board Meetings held during the year 2007-08 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.	Shri A. K. Kataria	7	7	Yes
2.	Shri Arvindkumar D. Sanghvi	7	5	Yes
3.	Shri Prakashraj S. Jain	7	7	Yes
4.	Shri Ugamraj M. Hundia	7	7	Yes
5.	Shri Chandresh V. Shah	7	4	Yes
6.	Shri Babulal S. Jain	7	3	No
7.	Shri Pawankumar R. Murarka	7	4	No
8.	Shri Ashwin A. Kataria	7	7	Yes
9.	Shri Amol R. Dalal	7	6	Yes

**REEL STRIPS LIMITED****17th Annual Report 2007-08****The Details of Share holding of Directors**

Name of the Director	No. of shares held as on 31.03.2008
Shri A. K. Kataria *	222900
Shri Arvindkumar D. Sanghvi	115950
Shri Prakashraj S. Jain	53800
Shri Ugamraj M. Hundia	71600
Shri Chandresh V. Shah *	20000
Shri Babulal S. Jain *	35700
Shri Pawankumar R. Murarka *	NIL
Shri Ashwin A. Kataria	22500
Shri Amol R. Dalal *	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 Agreements.

As on 31st March 2008, the Audit Committee of the Board consists of the two independent Non Executive Directors and one Joint Managing Director, as specified below:-

Sr. No.	Name	Designation
1.	Shri Chandresh V. Shah	Chairman
2.	Shri Prakashraj S. Jain	Member
3.	Shri Pawankumar R. 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 five times during the year under review. The committee also met prior to finalization of accounts for the year ended on 31st March 2008.

Meetings of Audit Committee and attendance.

Sr. No.	Date of Meetings	No. of Members	Attendance
1.	14 th May 2007	3	3
2.	29 th June 2007	3	3
3.	30 th July 2007	3	3
4.	23 rd October 2007	3	3
5.	29 th January 2008	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:

- Review 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.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the half yearly and annual financial statements before submission to the board, focusing primarily on -
 - 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
 - any changes in accounting policies and practices
 - major accounting entries based on exercise of judgment by management
 - qualification in draft audit report
 - significant adjustments arising out of audit
 - the going concern assumption


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- vii) compliance with accounting standards
- viii) compliance with stock exchange and legal requirements concerning financial statements
- ix) any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of Company at large.
- d) Reviewing with the management the quarterly financial statements before submission to the board for approval
- e) Reviewing with the management, external and internal auditors, 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 nature and scope of audit as well as has 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

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. The Company is therefore not required to constitute the remuneration committee.

Details of the Remuneration paid to the Executive Directors

The aggregate salary, value of perquisites and contribution of PF paid to the Executive Directors is as under:

Sr. No.	Name of Director	Remuneration (Amount in Rupees)
1.	Shri Arvindkumar D. Sanghvi	4,80,000
2.	Shri Prakashraj S. Jain	4,80,000
3.	Shri Ugamraj M. Hundia	4,80,000
4.	Shri Ashwin A. Kataria	4,80,000
	Total	19,20,000

Details of sitting fees paid to Directors:

Sr. No.	Name of Director	Sitting fees paid to Directors (Amount in Rupees)
1.	Shri Amol R. Dalal	12,000
2.	Shri Chandresh V. Shah	8,000
3.	Shri A. K. Kataria	12,000
4.	Shri Pawankumar R. Murarka	8,000
5.	Shri Babulal S. Jain	6,000
	Total	46,000

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