



REALSTRIPS LTD.

An ISO 9001:2000 Certified Company

19th

Annual Report
2009-2010





We At Real Strips Use
Green Power





BOARD OF DIRECTORS :

SHRI A. K. KATARIA

CHAIRMAN

SHRI A. D. SANGHVI

MANAGING DIRECTOR

SHRI UGAMRAJ M. HUNDIA

JOINT MANAGING DIRECTOR

SHRI P. S. JAIN

JOINT MANAGING DIRECTOR

SHRI ASHWIN A. KATARIA

WHOLE-TIME DIRECTOR

SHRI BABULAL S. JAIN

DIRECTOR

SHRI CHANDRESH V. SHAH

DIRECTOR

SHRI PAWANKUMAR R. MURARKA

DIRECTOR

SHRI AMOL 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

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 19th Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Saturday 25th September 2010 at the Chanakya Hall, Hotel Nalanda, Mithakhali Six Roads, Ellisbridge, Ahmedabad - 380 006 at 5.00 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2010 and Profit and Loss Account for the year ended on 31st March 2010 together with Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Amol Dalal who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Chandresh Shah who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Shri Babulal Jain who retires by rotation and is eligible for reappointment.
6. To appoint the Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modification the following resolution as ordinary resolution.

TO AUTHORISED THE BOARD TO BORROW MONEY IN EXCESS OF LIMIT PROVIDED U/S 293 (1) (d)

- 7. Resolved that** Pursuant to Section 293 (1) (d) and other applicable provisions and in suppression of the resolution passed by members of the company at an Extra Ordinary General Meeting held on 15th April 2006 consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing any sum or sums of money from time to time as and when required by the Company not with standing that the monies so borrowed together with monies already borrowed by the Company (apart from loans obtained from the Company's Banker in ordinary course of business) may exceed the aggregate of the paid up share capital of the company and its free reserve which have not been set apart for any specific purpose, subject however to the condition that the total amount of borrowing outstanding at any one time shall not exceed the limit of Rs. 500 Crores (Rupees Five Hundred Crores Only).

Resolved further that the Board of Directors be and is hereby authorised to finalise the terms and conditions of the borrower/issue of debentures with the lenders/ investors/ debenture trustees and to do all such acts, deeds, matters, and things as may be deemed necessary in the interest of the Company, in accordance with the said borrower/issue of debentures and to execute all such documents as it may consider necessary for the purpose of giving effect to these resolutions.

By Order of the Board

Place: Ahmedabad

Date: 29th May, 2010

A. K. Kataria

Chairman

Registered Office

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

NOTES:

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself on a poll and that a proxy need not be a member. Proxies, in order to be effective, forms must be received at the Company's Registered Office not less than 48 hours before the commencement of the Meeting.



2. Additional information pursuant to Clause 49 of the Listing Agreement with stock exchanges, on directors 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 17th September, 2010 to 24th September, 2010 both days inclusive for declaration of dividend. The dividend if declared, will be paid on or after 30.09.2010.
4. Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
5. Company is proposing to make payment of dividend through National Electronic Clearing System (NECS). Shareholders holding shares in physical form are therefore requested to provide details as per the enclosed form.
6. Members who hold shares in dematerialised form are requested to write their Client - ID and DP - ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. Details of Directors seeking re-appointment as per Item No. 3, 4 and 5 of the Ordinary Business in ensuing Annual General Meeting to be held on 25th September, 2010 are as under:

Name of Directors	Shri Amol Dalal	Shri Chandresh Shah	Shri Babulal Jain
Date of Birth	13.04.1956	05.02.1957	03.10.1941
Date of Appointment	01.04.2004	05.12.1990	19.09.1990
Expertise in specific functional areas	Commercial	Accounts & Commercial	Accounts & Administration
List of outside Directorship Held	Aarvee Denim Ltd.	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	NIL	2	NIL
Chairman / Member of the Committee of the Board of Directors of the other Public Limited Company	NIL	NIL	NIL
Shareholding	2450	20000	35700
Relationship with other directors	NO	NO	YES

Explanatory Statement under Section 173(2) of the Companies Act, 1956

The Company had in its Extra Ordinary General Meeting held on 15.04.2006 passed a resolution authorising the Board of Directors to borrow upto Rs. 100 Crores (Rupees One hundred Crores). The business of the Company had increased manifold, keeping the capital expenditure to be incurred and the working capital requirement in mind it would be advisable to authorise the Board of Directors to borrow upto Rs. 500 Crores (Rupees Five hundred Crores).

Board recommends the resolution at item no. 7 for approval of members.

None of the directors is concerned or interested in the said resolution.

By Order of the Board

Place: Ahmedabad
Date: 29th May, 2010

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 19th Annual Report together with the Audited Accounts of the company for the year ended 31st March 2010.

1) FINANCIAL HIGHLIGHTS :-

	2009-2010 (Rs. In Lacs)	2008-2009 (Rs. In Lacs)
Income for the Year	22781.97	13207.43
Profit before interest, depreciation and tax (PBIDT)	2008.88	765.80
Less:		
Financial Expenses	676.67	611.36
Depreciation	620.82	416.34
Profit / (Loss) before tax	711.39	(261.90)
Provision for taxation		
(i) Current Income Tax, Wealth Tax, Fringe Benefit Tax	121.05	2.03
(ii) Deferred Tax	(37.29)	(48.38)
Profit after tax	627.63	(215.55)
Add / (Less): Prior Period Adjustment	(0.07)	(5.68)
Profit available for appropriation	627.56	(221.23)
Appropriations		
Opening Balance of Profit & Loss Account	743.07	964.30
Less: Proposed Dividend on Equity shares	49.80	0
Less: Tax on dividend	8.27	0
Less: General Reserve	100.00	0
Net Balance Carried forward to Balance Sheet.	1212.56	743.07

2. DIVIDEND :-

The directors recommended a dividend of 10% @ Rs. 1/- per equity shares. This is however subject to the approval of shareholders at the Annual General Meeting.

3. PERFORMANCE :-

During the year under review the turn over has gone upto Rs.22781.97 Lacs an increase of 72.49% over previous year. During the Financial year under review the company been able to pull itself out of the blues of global meltdown of the previous financial year and has been able to achieve profit before tax Rs. 711.39 Lacs in Under Reviewed Financial Year against the Loss incurred in Previous Year.

FUTURE PROSPECTS

Your Directors are pleased to inform you that the Company has already placed orders for 2 Nos. of Bright Annealing Finish Lines which will be commissioned and will come into operation by the end of the financial year 2010-11, and benefits of the same will be derived in the next financial year. By installing these lines the company will be able to get 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 8514916 units, the wind mill installed by the company have generated 5767263 units.

4. MOBILISATION OF FUNDS :-

During the year under review the Company has issued 12,00,000 equity shares to strategic investors and 10,00,000 convertible warrants to promoters and promoters group at a price of Rs. 51/- for funding the ongoing capital expenditure.

5. 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.

6. DIRECTORS :-

Shri Amol Dalal, Shri Chandresh Shah and Shri Babulal Jain retire from the Board by rotation and being eligible, offer themselves for re-appointment.

7. 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 in Annexure, which is attached hereto.

8. COMPLIANCE CERTIFICATE:-

Pursuant to the requirement under section 383A of the Companies Act, 1956 a compliance certificate from Mr. Ashwin Shah Practicing Company Secretary is attached hereto.

9. 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 Account for the financial year ended 31st March, 2010 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 2010 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, 2010 on a going concern basis.

10. AUDITORS

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

11. 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, in Annexure-II, which is attached hereto and forms part of the Director's Report.

12. LISTING

The equity shares of the Company were listed on Ahmedabad Stock Exchange Ltd and Bombay Stock Exchange Ltd. As per Regulation 6 (a) of the Securities and Exchange Board of India (Delisting of Securities) Regulation 2009 the Company may delist its equity shares from one or more stock exchanges if their shares remain listed on any stock exchange having nation wide trading terminal i.e. Bombay Stock Exchange Ltd or National Stock Exchange Ltd. There



was no trading activity in the Ahmedabad Stock Exchange Ltd. It therefore did not serve the purpose in continuing the Listing of the equity shares of the Company in Ahmedabad Stock Exchange Ltd. Accordingly the Company delisted its equity shares from Ahmedabad Stock Exchange Ltd. w.e.f 31st March 2010. The equity shares of the Company remain listed on Bombay Stock Exchange Ltd. The Company has paid the listing and other payable fees for 2010-11.

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 : 29th May, 2010

A. K. Kataria
Chairman



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 hereunder :-

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, 2010 is given below:

Sr. No.	Name of the Directors	Category	No. of Directorship in other companies	No. of chairmanship/ membership in Board Committees.
1.	Mr. Amritlal K. Kataria	Chairman & Non-executive director	NIL	1
2.	Mr. Arvindkumar Sanghvi	Managing Director	2	NIL
3.	Mr. Prakashraj Jain	Joint Managing Director	1	3
4.	Mr. Ugamraj Hundia	Joint Managing Director	1	NIL
5.	Mr. Chandresh Shah	Independent & Non-executive director	NIL	2
6.	Mr. Babulal Jain	Independent & Non-executive director	NIL	NIL
7.	Mr. Pawankumar Murarka	Independent & Non-executive director	NIL	2
8.	Mr. Ashwin A. Kataria	Whole Time & Executive director	NIL	NIL
9.	Mr. Amol Dalal	Independent & Non-executive director	1	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 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 2009-10

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 2009-10.

Ahmedabad.

May 29, 2010.

A. 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.

Mr. Amol Dalal, Mr. Chandresh Shah and Mr. Babulal Jain are retiring by rotation in the ensuing Annual General Meeting and resolutions have been proposed for the reappointment.

Mr. Amol Dalal and Mr. Chandresh Shah are not related to any of the Directors of the Company Mr. Babulal Jain is relative of Mr. Prakashraj Jain.

3. Board Procedure

In the financial year 2009-10, Twelve 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.	7 th May, 2009	Shri A. K. Kataria
2.	29 th June, 2009	Shri A. K. Kataria
3.	29 th July, 2009	Shri A. K. Kataria
4.	16 th September, 2009	Shri A. K. Kataria
5.	3 rd October, 2009	Shri A. K. Kataria
6.	12 th October, 2009	Shri A. K. Kataria
7.	28 th October, 2009	Shri A. K. Kataria
8.	30 th October, 2009	Shri A. K. Kataria
9.	11 th December, 2009	Shri A. K. Kataria
10.	2 nd January, 2010	Shri A. K. Kataria
11.	27 th January, 2010	Shri A. K. Kataria
12.	4 th March, 2010	Shri A. K. Kataria

Details of Attendance of the directors at the Board Meetings held during the year 2009-10 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	12	12	Yes
2.	Mr. Arvindkumar Sanghvi	12	12	No
3.	Mr. Prakashraj Jain	12	12	Yes
4.	Mr. Ugamraj Hundia	12	12	Yes