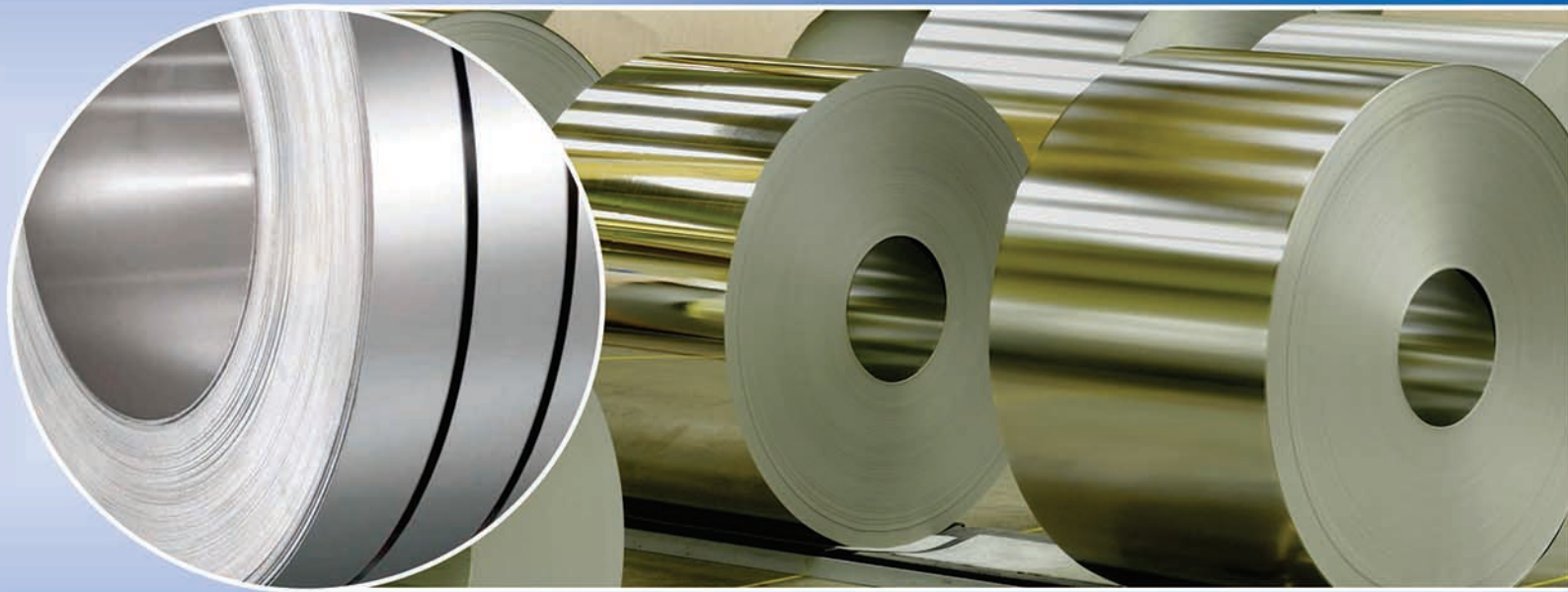


21st Annual Report 2011-12



REALSTRIPS LTD.

An ISO 9001:2008 Certified Company



We At Real Strips Use





BOARD OF DIRECTORS : **SHRI A. K. KATARIA**
SHRI A. D. SANGHVI
SHRI UGAMRAJ M. HUNDIA
SHRI P. S. JAIN
SHRI ASHWIN A. KATARIA
SHRI CHANDRESH V. SHAH
SHRI PAWANKUMAR R. MURARKA
SHRI AMOL DALAL
SHRI PUKHRAJ JAIN
SHRI ASHISH SHAH *
 (* APPOINTED W.E.F. 06.06.2012)
SHRI JITENDRA MAMOTRA *
 (* APPOINTED W.E.F. 06.06.2012)

CHAIRMAN
 MANAGING DIRECTOR
 JOINT MANAGING DIRECTOR
 JOINT MANAGING DIRECTOR
 WHOLE-TIME DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR
 DIRECTOR

AUDITORS : **M/S MEHTA LODHA & CO.**
 CHARTERED ACCOUNTANTS

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

REGISTERED OFFICE : 401-402, "FLORENCE"
 OPP. ASHRAM ROAD POST OFFICE,
 ASHRAM ROAD,
 AHMEDABAD-380 009.

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

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

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NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Saturday the 22nd September 2012 at the Atma Hall (Ahmedabad Textile Mills Associations), Ashram Road, Ahmedabad - 380 009 at 10.30 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as on 31st March 2012 and the Statement of Profit and Loss for the year ended on 31st March 2012 together with Directors' and Auditors' Report thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Ashwin Kataria who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Shri Ugamraj Hundia who retires by rotation and is eligible for re-appointment.
5. To appoint a Director in place of Shri Amol Dalal who retires by rotation and is eligible for re-appointment.
6. To appoint the Auditor to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

Item No. 7

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

"RESOLVED THAT Shri Ashish Shah appointed under Section 260 of the Companies Act, 1956 (Act) as additional director of the Company with effect from 6th June 2012 and who holds office upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as director of the company"

Item No. 8

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

"RESOLVED THAT Shri Jitendra Mamotra appointed under Section 260 of the Companies Act, 1956 as additional director of the Company with effect from 6th June 2012 and who holds office upto this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as director of the company"

By Order of the Board

Place: Ahmedabad

Date: 16th July 2012

Registered Office

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

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 stock exchanges, on directors recommendation 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 2012 to 21st September 2012 both days inclusive for declaration of dividend. The dividend if declared, will be paid on or after 24.09.2012.
4. Members / proxies should bring their copy of the Annual Reports and Accounts along with Attendance Slip (duly completed) when attending the Meeting.
5. The Company is proposing to make payment of dividend through National Electronic Clearing System(NECS). Shareholders holding shares in physical form are therefore requested to provide details as per the enclosed form.
6. Members who hold shares in dematerialised form are requested to write their Client - ID and DP - ID Numbers and those who hold shares in Physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
7. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively) has undertaken a "Green Initiative in Corporate Governance" and allowed companies to share documents with its shareholders through an electronic mode. A recent amendment to the Listing Agreement with Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering / updating their email address for receiving electronic communication.
8. Pursuant to Section 205A and 205C and other applicable provisions, if any, of the Act, all unclaimed / unpaid dividend and application money, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, have been transferred to the IEPF established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claim.

Members who have not yet encashed their dividend warrant(s) for the financial years 2004-05 onwards, are requested to make their claims without any delay. It may be noted that the unclaimed dividend for the financial year 2004-05 declared on 17.09.2005 can be claimed by the shareholders by 16.10.2012.

9. Details of Directors seeking re-appointment as per Item No. 3, 4 and 5 of the Ordinary Business and appointment of director as per Item No. 7 and 8 in ensuing Annual General Meeting to be held on 22nd September, 2012 are as under:



Name of Directors	Shri Ashwin Kataria	Shri Ugamraj Hundia	Shri Amol Dalal	Shri Ashish Shah	Shri Jitendra Mamotra
Date of Birth	13.02.1970	07.10.1954	13.04.1956	04.09.1958	25.04.1946
Date of Appointment	01.04.2004	19.09.1990	01.04.2004	06.06.2012	06.06.2012
Expertise in specific functional areas	Technical	Technical	Commercial	Finance & Administration	Technical, Sales & Administration
List of outside Directorship Held	NIL	Marudhar Industries Ltd.	Aarvee Denims & Exports Ltd.	NIL	1) Transformers & Retifiers (India) Ltd. 2) Harsha Engineers Ltd.
Chairman / Member of the Committee of the Board of Directors of the Company	NIL	NIL	NIL	NIL	NIL
Chairman / Member of the Committee of the Board of Directors of the other Public Limited Company	NIL	NIL	NIL	1	2
Shareholding	75000	71600	3450	NIL	NIL
Relationship with other directors	Yes	No	No	No	No

Explanatory Statement under Section 173(2) of the Companies Act, 1956**Item No. 7**

Shri Ashish Shah has wide Experience of Finance & Administration. His experience and knowledge will benefit the Company. He was appointed as Additional Director of the Company w.e.f 06th June 2012 and is eligible to hold office up to this Annual General Meeting. As per provisions of section 257 of the Companies Act, a notice has been received from a shareholder to appoint him as Director of the Company.

The Board commends the resolution at item No. 7 for approval of members. None of Directors Except Shri Ashish Shah is interested in the resolution.

Item No. 8

Shri Jitendra Mamotra has wide Experience of Technical, Sales & Administration. His experience and knowledge will benefit the Company. He was appointed as Additional Director of the Company w.e.f 06th June 2012 and is eligible to hold office up to this Annual General Meeting. As per provisions of section 257 of the Companies Act, a notice has been received from a shareholder to appoint him as Director of the Company.

The Board commends the resolution at item No. 7 for approval of members. None of Directors except Shri Jitendra Mamotra is interested in the resolution

By Order of the Board

Place: Ahmedabad

Date: 16th July 2012

Registered Office

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

A. K. Kataria
Chairman

**DIRECTOR'S REPORT**

To,

The Members,

Your Directors have pleasure in presenting the 21st Annual Report together with the Audited Accounts of the company for the year ended 31st March 2012.

1) FINANCIAL HIGHLIGHTS :-

	2011-2012 (₹ In Lacs)	2010-2011 (₹ In Lacs)
Income for the Year	32960.15	28827.07
Profit before interest, depreciation and tax (PBIDT)	2352.93	2228.02
Less:		
Financial Expenses	1034.07	849.51
Depreciation	662.01	595.87
Profit / (Loss) before tax	656.85	782.64
Provision for taxation		
(i) Current Income Tax, Wealth Tax	131.53	194.04
(ii) Deferred Tax	62.94	(66.43)
(iii) MAT Credit Entitlement	(41.21)	0.00
Profit after tax	503.59	655.03
Add / (Less): Prior Period Adjustment	3.18	0.42
Profit available for appropriation	506.77	655.45
Appropriations		
Opening Balance of Profit & Loss Account	1698.51	1212.56
Less: Proposed Dividend on Equity shares	59.80	59.80
Less: Tax on dividend	9.70	9.70
Less: General Reserve	100.00	100.00
Net Balance Carried forward to Balance Sheet.	2035.78	1698.51

2. DIVIDEND

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

3. PERFORMANCE

During the year under review the turnover has gone upto ₹ 32960.15 Lacs an increase of 14.34% over previous year and Profit before Interest, depreciation and tax (PBIDT) has also gone up 5.60 % over the previous year.

FUTURE PROSPECTS

(a) 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 and higher realisation of the final product.

(b) Your Directors are pleased to inform you that the Company is planning to install 1 No. Wind Turbine Generator (Wind Mill) 2.10 MW which will be commissioned and will come into operation in the month of September / October' 2012. By installing this Wind Mill the company will be able to fulfill their electricity Consumption from their own Generation.

GREEN ENERGY

The Company has utilized green energy generated from its wind mills. As against the electricity consumption of 9779962 units, the wind mills installed by the company have generated 4273411 units.

4. INDUSTRIAL RELATIONS :-

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

Measures have been taken for Human Resources Development.

**5. DIRECTORS :-**

Shri Ashwin Kataria, Shri Ugamraj Hundia and Shri Amol Dalal retire from the Board by rotation and being eligible, offer themselves for re-appointment.

6. CORPORATE GOVERNANCE REPORT :-

Pursuant to clause 49 of the Listing Agreement of the company with the Stock Exchanges, the Management Discussion & Analysis, Report on Corporate Governance and certification by the Managing Director (CEO) confirming compliance by all the Board Members and Senior Management personnel with Company's Code of Conduct are made a part of the Annual Report. A certificate from 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 :

- that in the preparation of the Account for the financial year ended 31st March, 2012 the applicable standards have been followed along with proper explanation relating to material departures ;
- 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 2012 and of the profit of the company for the year ending on that date ;
- 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 ;
- that the Directors have prepared the accounts for the financial year ended on 31st March, 2012 on a going concern basis.

8. AUDITORS

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

9. COST AUDITOR

The Ministry of Corporate Affairs has introduced The Companies (Cost Audit Report) Rules, 2011 vide its notification No. GSR430 CE dated June 3, 2011 and the Cost Audit Order No. 52/26/CAB/2010 dated January 24, 2012. These rules makes it mandatory for Specified Industries to appoint Cost Auditor.

M/s N. D. BIRLA & CO. has been appointed as the Cost Auditor for the Financial Year 2011-12 and 2012-13, subject to the approval of the Central Government.

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 relating to Energy conservation, Technology Absorption, Foreign Exchange Earnings and outgo are given in Annexure-II, which is attached hereto 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 2012

A. K. Kataria
Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Industry Overview

The benefit of Stainless Steel is quite evident and also there is increase in awareness of the use of Stainless Steel. Apart from good demand in existing industrial use, there is a shift from using Mild Steel to using Stainless Steel. Many new areas are adding to demand for example; Kitchenware, Hardware, SS furniture, SS jewellery, Machinery, Pipe-wire-coil-sheet (patta-patti), Railway vendor, Building and construction (infrastructure), Sanitary equipment (concealed plumbing for bathrooms), Dairy, Automotive, Ferro alloys and Allied.

Recently, Government has permitted usage of Stainless Steel for manufacturing of gas cylinders. Stainless Steel is also getting popular in use for construction industry for tore steel and binding wires, for water tanks in high rise buildings, architectural use in airports, railway wagon and railway stations, bus stand, signage, Road Tankers, ship Containers. The market for Stainless steel Continues to improve manufacturing with greater concentration, Low long term maintenance costs, less environmental impacts and greater concerns with life cycle cost being made to achieving Green Revolution.

As per capita income consumption of stainless steel in India is only 1.20 kg as against 6 kgs in China, 16 kgs in Japan and 30 kgs in Italy which shows that there are tremendous growth opportunities in India. As a Company operating in India, we are affected by the general economic conditions in the Country. The Indian economy has grown steadily over the past several years. This improved performance was propelled by the growth in industrial activity and robust service sector. The overall economic growth will therefore impact the results of its operations. The growth prospects of the business of the Company and its ability to implement the strategies will be influenced by macro economic growth.

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

Business Overview

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

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

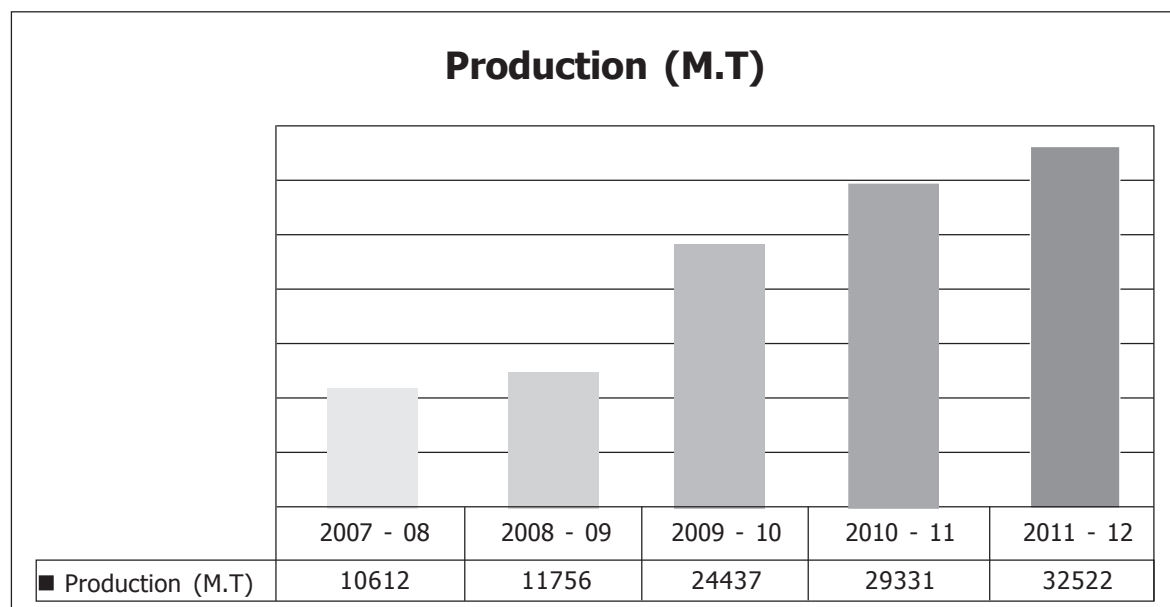


Production Performance

The company deals in a single product, i.e. cold rolled stainless steel coils/strips. The production of the company in 2011- 2012 is 32522 MT.

We here by like to compare our production performance with previous years.

Production Performance Chart



Positively, in future we expect our production performance would be higher & higher as it is seen in above comparison done with previous years and considering ample of opportunities.

Opportunities:

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

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

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