



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
(* RESIGNED W.E.F 28.05.2011)
SHRI CHANDRESH V. SHAH DIRECTOR
SHRI PAWANKUMAR R. MURARKA DIRECTOR
SHRI AMOL DALAL DIRECTOR
SHRI PUKHRAJ JAIN * DIRECTOR
(* APPOINTED W.E.F. 15.06.2011)

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 20th Annual General Meeting of the members of REAL STRIPS LIMITED will be held on Saturday the 24th September 2011 at the Palki 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 2011 and Profit and Loss Account for the year ended on 31st March 2011 together with Directors' and Auditors' 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 a Director in place of Shri Prakashraj 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**Item No. 7**

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

"RESOLVED THAT Mr. Pukhraj Jain appointed under Section 260 of the Companies Act, 1956 as additional director of the Company and is eligible to hold office upto this Annual General Meeting be and is hereby appointed as director of the company under section 257 of the Companies Act, 1956 subject to retire by rotation."

Item No. 8

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

"RESOLVED THAT pursuant to the Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, [including any statutory modification(s) or re-enactment thereof, for the time being in force], the Articles of Associations of the company be and are hereby altered by inserting the following new clause to existing Article 2 and new Articles 181(a) to 181(b) after the existing Articles 181 and new Articles 183(a)(i) to 183(a)(iii) after the existing Articles 183".

New Clause in Article 2 after the clause "Document":

"Electronic mode means video conference facility i.e. audio-visual electronic communication facility employed which enables all persons participating in that meeting to communicate concurrently with each other without an intermediary, and to participate effectively in the meeting".

Article 181(a)

The notice of the meeting shall inform directors regarding availability of participation through video conference, and provide necessary information to enable director to access the available facility of videoconferencing.

Article 181(b)

The notice of the meeting shall also seek confirmation from the directors as to whether he will attend the meeting physically or through electronic mode and shall also contain the contact number(s) / e-mail addresses of the Secretary / designated officer to whom the director shall confirm in this regard. In the absence of any confirmation from the Directors, it will be presumed that he will physically attend the Board meeting.

Article 183(a) (i)

Director participating in a meeting through use of video conference shall be counted for the purpose of quorum.

Article 183(a) (ii)

The place where the Chairman or Secretary is sitting during the Board meeting shall be taken as place of meeting in terms of section 288 of the Act, and all recordings will be made at this place.

Article 183(a) (iii)

Video recording of the meeting will be preserved by the company for the prescribed time from the conclusion of the meeting.



RESOLVED FURTHER THAT the Board of Directors of the Company ("the Board", which expression shall also include a Committee thereof) be and they are hereby authorised to do any acts and things as may necessary to give effect to the aforesaid resolution."

By Order of the Board

Place: Ahmedabad

Date: 26th July, 2011

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 19th September 2011 to 23rd September 2011 both days inclusive for declaration of dividend. The dividend if declared, will be paid on or after 26.09.2011.
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 and appointment of director as per Item No. 7 in ensuing Annual General Meeting to be held on 24th September, 2011 are as under:

Name of Directors	Shri A. K. Kataria	Shri Pawankumar Murarka	Shri Prakashraj Jain	Shri Pukhraj Jain
Date of Birth	15.06.1942	19.12.1959	07.07.1956	26.01.1945
Date of Appointment	19.09.1990	30.10.2003	22.11.1990	15.06.2011
Expertise in specific functional areas	Technical & Administration	Accounts & Commercial	Administration & Commercial	Technical
List of outside Directorship Held	NIL	West Land Estate Limited	Marudhar Industry Ltd.	NIL
Chairman / Member of the Committee of the Board of Directors of the Company	1	2	3	NIL
Chairman / Member of the Committee of the Board of Directors of the other Public Limited Company	NIL	NIL	NIL	NIL
Shareholding	69000	NIL	53800	121400
Relationship with other directors	Yes	No	Yes	Yes

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

Shri Pukhraj Jain has wide Experience of Stainless Steel Patta / Coil Rolling Mill Since Last 30 Years and Technical knowledge of the manufacturing process of Stainless Steel Patta / Coils. His experience and knowledge will benefit the Company. He was appointed as Additional Director of the Company w.e.f 15th June 2011 and 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. No Directors other than Shri Prakashraj Jain and Shri Pukhraj Jain are in any manner concerned or interested in the said resolution.

Item No. 8

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies Act and the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through electronic mode.

In the light of the above provisions and circumstances, the MCA clarified by its General Circular No. 28/2011 dated May 22, 2011 that directors of a company may participate in the meeting of Board / Committee of directors meeting under the provision of Companies Act, 1956 through electronic mode. For this purpose, the company shall also comply with certain requirements and procedures, in addition to the normal procedures required under the Companies Act, 1956 for holding meetings of Board / Committee of directors. Hence, it is felt necessary to amend the Articles of Association so as to incorporate these new provisions into the Articles of Association of the Company.

With issuance of said General Circular of MCA, certain provisions of Companies Act pertaining to the meetings of directors have implications with a view to facilitating the operation of the said provisions in the meeting of Board / Committee of directors. In view of this, consequent changes are required to be incorporated in the Articles of Association of the company.

The Board of Directors recommends the resolution for your approval.

A copy of the Memorandum and Articles of Association of the company together the proposed alterations would be available for inspection by the directors at the Registered Office of the company during the business hours on any working day.

None of the Directors of the company is, in any way concerned or interested in the Resolution.

By Order of the Board

Place: Ahmedabad
Date: 26th July, 2011

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 20th Annual Report together with the Audited Accounts of the company for the year ended 31st March 2011.

1) FINANCIAL HIGHLIGHTS :-

	2010-2011 (₹ In Lacs)	2009-2010 (₹ In Lacs)
Income for the Year	28795.48	22781.97
Profit before interest, depreciation and tax (PBIDT)	2196.43	2008.88
Less:		
Financial Expenses	817.92	676.67
Depreciation	595.87	620.82
Profit / (Loss) before tax	782.64	711.39
Provision for taxation		
(i) Current Income Tax, Wealth Tax	194.04	121.05
(ii) Deferred Tax	(66.43)	(37.29)
Profit after tax	655.03	627.63
Add / (Less): Prior Period Adjustment	0.42	(0.07)
Profit available for appropriation	655.45	627.56
Appropriations		
Opening Balance of Profit & Loss Account	1212.56	743.07
Less: Proposed Dividend on Equity shares	59.80	49.80
Less: Tax on dividend	9.70	8.27
Less: General Reserve	100.00	100.00
Net Balance Carried forward to Balance Sheet.	1698.51	1212.56

2. DIVIDEND :-

The directors recommended a dividend of 10% @ ₹ 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 ₹ 28795.48 Lacs an increase of 26.40 % over previous year and Profit after tax has also gone up 4.44 % over the previous year.

FUTURE PROSPECTS

Your Directors are pleased to inform you that the Company has already installed and commissioned 2 Nos. of Bright Annealing Finish Lines and production will commence in the month of June'2011 and benefits of the same will be observed in this financial year.

GREEN ENERGY

The Company has utilized green energy generated from its wind mills. As against the electricity consumption of 8528880 units, the wind mill installed by the company have generated 3141078 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 A. K. Kataria, Shri Pawankumar Murarka and Shri Prakashraj Jain 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, 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 Account for the financial year ended 31st March, 2011 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 2011 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, 2011 on a going concern basis.

8. 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.

9. 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.

10. 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.

11. 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 : 28th May, 2011

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 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, 2011 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	NIL	3
4	Mr. Ugamraj Hundia	Joint Managing Director	NIL	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	1	2
8	Mr. Ashwin A. Kataria	Whole Time & Executive director	NIL	NIL
9	Mr. Amol Dalal	Independent & Non-executive director	1	NIL

*Resigned as Director w.e.f 28.05.2011

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 2010-11

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 2010-11.

Ahmedabad

A. D. Sanghvi

May 28, 2011

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. A. K. Kataria, Mr. Pawankumar Murarka and Mr. Prakashraj Jain are retiring by rotation in the ensuing Annual General Meeting and resolutions have been proposed for the reappointment.

Mr. Pawankumar Murarka is not related to any of the Directors of the Company. Mr. A. K. Kataria is relative of Mr. Ashwin Kataria. Mr. Prakashraj Jain is relative of Mr. Babulal Jain

3. Board Procedure

In the financial year 2010-11, Nine 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.	15 th April 2010	Shri A. K. Kataria
2	30 th April 2010	Shri A. K. Kataria
3	29 th May 2010	Shri A. K. Kataria
4	29 th July 2010	Shri A. K. Kataria
5	15 th September 2010	Shri A. K. Kataria
6	28 th October 2010	Shri A. K. Kataria
7	29 th January 2011	Shri A. D. Sanghvi
8	28 th March 2011	Shri A. K. Kataria
9	30 th March 2011	Shri A. K. Kataria

Details of Attendance of the directors at the Board Meetings held during the year 2010-11 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	9	8	Yes
2.	Mr. Arvindkumar Sanghvi	9	8	No
3.	Mr. Prakashraj Jain	9	9	Yes
4.	Mr. Ugamraj Hundia	9	9	Yes



5.	Mr. Chandresh Shah	9	4	Yes
6.	Mr. Babulal Jain	9	4	Yes
7.	Mr. Pawankumar Murarka	9	4	No
8.	Mr. Ashwin A. Kataria	9	9	Yes
9.	Mr. Amol R. Dalal	9	4	Yes

The Details of Share holding of Directors

Name of the Director	No. of shares held as on 31.03.2011
Mr. Amritlal K. Kataria *	69000
Mr. Arvindkumar Sanghvi	115950
Mr. Prakashraj Jain	53800
Mr. Ugamraj Hundia	71600
Mr. Chandresh Shah *	20000
Mr. Babulal Jain *	35700
Mr. Pawankumar Murarka *	NIL
Mr. Ashwin A. Kataria	75000
Mr. Amol R. Dalal *	2450

* 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 2011, 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 Chandresh Shah	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, 2011.

Meetings of Audit Committee and attendance.

Sr. No.	Date of Meetings	No. of Members	Attendance
1.	29 th May, 2010	3	3
2.	29 th July, 2010	3	3
3.	28 th October, 2010	3	3
4.	29 th January, 2011	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:

- 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.
- 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
- 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
 - compliance with accounting standards
 - compliance with stock exchange and legal requirements concerning financial statements
 - 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 have 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
- Management discussion and analysis of financial condition and results of operations
 - Statement of significant related party transactions (as defined by the audit committee) submitted by management
 - Management letters/ letters of internal control weaknesses issued by the statutory auditors
 - Internal audit reports relating to internal control weaknesses and
 - 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 2011, 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 there was no necessity to convene any meeting of the Remuneration Committee. 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 standard. The remuneration determined for the Executive Directors is subject to the approval of Remuneration Committee of 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 2010-11 are as under:

Sr. No.	Name of Director	Sitting Fees paid to Directors (₹)
1.	Shri A. K. Kataria	16000
2.	Shri Amol Dalal	8000
3.	Shri Chandresh Shah	8000
4.	Shri Pawankumar Murarka	8000
5.	Shri Babulal S. Jain	8000
	TOTAL	48000

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 2010-11 is as under: (Amount in ₹)

Name	Salary	Perquisites & Allowances	Bonus	Commission
Shri Arvindkumar D Sanghvi	480000.00	NIL	NIL	NIL
Shri Prakashraj Jain	480000.00	NIL	NIL	NIL
Shri Ugamraj Hundia	480000.00	NIL	NIL	NIL
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 complains. The function and power of this committee include review and redressal of shareholders' and investors grievances and to give approval to transfer, transmission or dematerialisation of shares. This committee looks into 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 2011 committee has consist of following directors.

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

The committee was held 5 times meetings during the 2010-11 on 31.05.2010, 15.06.2010, 30.09.2010, 30.11.2010, 31.12.2010

The total number of complains / 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	5	5
2)	Endorsement/Change of Address / Misc	5	5
3)	Share Transfer Requests	18	18
4)	Dematerialisation / Remat Requests	37	37

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	2009-10	Chanakya Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge, Ahmedabad	25.09.10	5.00p.m.	- Authorised the Board to borrow money in excess of Limit provided U/S 293 (1) (d)	Ordinary Resolution
2.	2008-09	Chanakya Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge, Ahmedabad	15.09.09	5.00 p.m.	- Appointment of Managing Director - Appointment of Joint Managing Director - Appointment of Joint Managing Director - Appointment of Whole Time Director	Ordinary Resolution Ordinary Resolution Ordinary Resolution Ordinary Resolution
3.	2007-08	Chandan Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge, Ahmedabad	25.09.08	4.30 p.m.	Nil	Not Applicable

One Extra Ordinary General Meeting held on 30th November 2009 to issue equity shares on preferential basis Other Extra Ordinary General Meeting held on 14th August 2007 to issue equity shares on preferential basis during last 3 years.

8. Disclosures

- a. 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 5 in Schedule No. 15 to the Notes forming part of the Accounts in accordance with the provisions of Accounting Standard 18



- b. 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.
- c. The Company has generally complied with all the mandatory requirements as specified in the revised Clause 49 to the extent these apply and extend to the company.
- d. 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 Schedule 15 forming part of the financial statements.
- e. 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.
- f. The CEO (Managing Director) and the CFO have furnished a Certificate to the Board for the year ended on 31st March 2011 in compliance with the revised Clause 49 V of the Listing Agreements as amended.
- g. 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 Communications:**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 Agreements. 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 "Jansatta", "Economic Times (Gujarati)" 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
24th September 2011	5.00 P.M.	Palki Hall, Hotel Nalanda, Mithakhali Six Road, Ellisbridge, Ahmedabad – 380 006

(b) Financial Calendar(2011-12)

(tentative)

Annual General Meeting	:	24th September 2011
Quarterly Results		
Quarter ending on June 30 2011		Last Week of July, 2011
Quarter ending September 30 2011	:	Last Week of October, 2011
Quarter ending December 31 2011	:	Last Week of January 2012
Annual Result of 2011-12	:	Last week of May 2012

(c) Book Closure Date : 19th September, 2011 to 23rd September, 2011. (Both days inclusive)**(d) Dividend Payment Date : Within 30 Days of Declaration.****(e) Listing on Stock Exchanges : Bombay Stock Exchange Ltd.**

Listing fees have been paid for the year 2011-12 as per the Listing Agreement with the respective Stock Exchanges.



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

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

(h) **Market Price Data:**

Market price data at the Stock Exchange, Mumbai for the year 2010-11 is given below:

Month	Highest (₹)	Lowest (₹)
April 2010	59.50	47.95
May 2010	58.00	45.10
June 2010	60.00	48.30
July 2010	89.90	52.45
August 2010	94.90	72.40
September 2010	117.00	80.00
October 2010	110.80	94.70
November 2010	136.10	108.00
December 2010	140.60	102.00
January 2011	136.80	100.60
February 2011	114.80	93.00
March 2011	116.95	91.25

Registrar and Share Transfer Agents : M/s MCS Limited
101, Shatdal Complex, 1st Floor,
Opp Bata Show Room, Ashram Road,
Ahmedabad – 380 009

Contact Person : Mr. Balasubramaniam
Contact Telephone Nos : (079) 26582880, 26584027
Mobile No. : 09327055153

(i) **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 Agreements 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.

(j) **Distribution of Shareholding:**

• Distribution of shareholding as on 31.03.2011 is given below:

No. of Equity Shares held	Number of Shareholders	% of Shareholders	No. of shares held	% of Shareholding
1 – 1000	1991	90.25	409883	6.85
1001 – 5000	102	4.62	274720	4.59
5001 – 10000	31	1.41	238114	3.98
10001 – 50000	46	2.09	1172503	19.61
50001 – 100000	25	1.13	1726679	28.88
100001 – 1000000	11	0.50	2158101	36.09
1000001 & above	NIL	NIL	NIL	NIL
GRAND TOTAL	2206	100	5980000	100
Physical Mode	935	42.38	1176084	19.67
Electronic Mode	1271	57.62	4803916	80.33



• **Category of shareholders as on 31st March 2011:**

Category	No. of Shares Held	Percentage Held
Promoter Holding		
(a) Indian Promoters	310350	5.19
(b) Foreign Promoters	Nil	Nil
(c) Persons Acting in Concert	2623391	43.87
Financial Institutions/ Banks/ Mutual Funds	Nil	Nil
Resident Individuals & Corporates	3030312	50.67
NRI's / OCB	15947	0.27
Grand Total	5980000	100.00

(k) **Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practice Act, 1969 (54 of 1969)**

Raajratna Stock Holding Pvt. Ltd.	Jitendra Madanlal Hundia	Vikram Babulal Hundia
Amritlal Kisandas Kataria	Deepak Ugamraj Hundia	Pradeep Madanlal Hundia
Arvindkumar D. Singhvi	Vinay Amritlal Kataria	Manjulaben Ganeshmalji Jain
Kataria Metal & Alloys Pvt. Ltd.	Ashwin Amritlal Kataria	Sunanda Hundia
Raajratna Stock Holding Pvt. Ltd.	Narangidevi Madanlal Hundia	Sandeep Babulal Hundia
Surajmal Seshmal Ji Jain	Naresh Babulal Jain	Shantaben Babulal Hundia
Amritlal Kisandas Kataria	Sunny Prakashraj Jain	Bharatkumar Ganeshmal Ji Jain
Prakashraj Seshmalji Jain	Kamla Hirachand Hundia	Hundia Babulal Mishrimal
Ganeshmal Seshmalji Jain	Amritlal Kisandas Kataria	Hirachand Mishrimal Hundia
Kataria Minaxi Amritlal	Rajendra Hundia	Shilpa Sandeep Hundia
Ugamraj M. Hundia	Atul Ganeshmalji Jain	Meena V. Hundia
Madanlal Mishrimal Hundia	Sanjay Pukhraj Jain	Mitaben Harshad Jain
Jayantilal Seshmalji Jain	Praful Babulal Jain	Prakash Hundia
Shantiben Jayantilal Jain	Sapna Ravi Hundia	Mukesh Pukhraj Jain
Babulal Mishrimal Hundia	Romit Prakashraj Jain	Kantaben Praful Jain
Pukhraj Seshmalji Jain	Harshidkumar Pukhrajji Jain	Sarojben Surajmal Jain
Hundia Kishorechand	Pankaj Babulal Hundia	Sarojben Prakashraj Jain
Babulal Seshmalji Jain	Vinay Alloys Steel Pvt. Ltd.	Aruna Pankaj Hundia
Sanskar Metals Pvt. Ltd.	Kishorchand D. Hundia	Sangeeta Jitendra Hundia
Ravi Hundia	Nancy Prakashraj Jain	
Hirachand Mishrimal Hundia	Savitaben Babulal Jain	

(l) **Dematerialization of Shares and Liquidity:**

48,03,916 equity shares representing 80.33% 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 2011.

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.

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

**(n) 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

(o) Correspondence with the Company:

Address for correspondence with the Company is:
Mr. Ramcharan Beriwala
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) 26581073, 40068261
Website : www.realstrips.com
Email ID : ramcharan@realstrips.com; info@realstrips.com

**CEO / CFO CERTIFICATE****TO WHOMSOEVER IT MAY CONCERN**

We Certified to the Board that:

- (a) We have reviewed financial statement and the cash flow statement 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 they 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

**Place: Ahmedabad
Date: 28th May 2011**

**Ramcharan Beriwal
Chief Finance Officer**

**Shri Arvind Sanghvi
Managing Director**

AUDITOR'S CERTIFICATE

To
The Members of Real Strips Limited,

We have examined the compliance of conditions of Corporate Governance by Real Strips Limited, for the year ended on 31st March, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended 31st March 2011, no investor grievances are pending against the Company for a period exceeding one month as per the records maintained by the Company and presented to the Shareholders / Investors Grievance Committee.

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

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

**Place: Ahmedabad
Date : 28TH May 2011.**

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

**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 :	2010-2011	2009-2010
(1) Electricity :-		
Unit	8528880	8514916
Total Amount	₹ 55019996	57037840
Rate/ Unit	₹ 6.45	6.70
(2) Own Generation :-		
{i} Through Diesel Generation Set:		
Units	21733	22304
Diesel Consumed	Ltrs. 7932	10286
Unit per/Ltrs of diesel	2.74	2.17
Diesel cost	₹ 330867	368856
Cost per unit	₹ 15.22	16.54
{ii} Through Wind Turbine Generator:		
Units	3141078	5767263
(3) Furnace Oil:-		
Consumption	Ltrs. 2778574	2809569
Value	₹ 77621744	68738460
Rate/ Litre	₹ 27.94	24.47
(b) Consumption per unit of Production:	(Standards if any)	
Product- S.S.Coil (Own)	M.T. 29156.875	23987.440
Product- S.S.Coil (Jobwork)	M.T. 174.207	449.503
Total Production	29331.082	24436.943
Electricity- Consumption Per M.T.	Units 291.52	349.36
Furnace Oil- Consumption Per M.T.	Ltrs. 94.73	114.97

[B] Technology Absorption :

The company is using latest technology available.

[C] Foreign Exchange Earnings:

Earnings	₹ 0	4344115
Out Go	₹ 172320662	19072785



MANAGEMENT DISCUSSION AND ANALYSIS

A) Industry structure and developments

India is ranked 10th in the stainless steel production in the world. India produces 18 to 20 lakh ton per annum and the consumption of stainless steel in India stands at 22 lakh tons. Ahmedabad is considered No. 1 for production of raw materials. The per capita consumption of stainless steel in India is 1.2kg against the world average per capita consumption of 9.4kg, which is the lowest in the world. But current development shows that India is to become outsourcing and manufacturing hub for stainless steel products in world market by 2015 which will increase the per capita consumption of stainless steel in India. Hence, there is tremendous scope of increasing production and consumption of stainless in India. The usage and application of Stainless Steel is fast expanding in various fields like houseware, hardware, furniture, SS jewellery, machinery, Pipe-wire-coil-sheet (patta-patti), railway vendor, architectural, building and construction, sanitary equipment, dairy, automotive, ferro alloys and allied. Recently, Government has started promoting this metal because of its non-corrosive and sustainable character which helps in decreasing the overall maintenance of the product which in turn will increase the consumption of stainless steel. World stainless steel demand is expected to rise to 4.9% per year till 2011. Stainless Steel demand in India is presumed to be 7% per year during this period, while annual growth in the rest of the world is expected to be 4%. Projections for 2010 to 2015 suggest a 4.2% annual growth in world wide stainless steel demand, with growth reaching 7.7% per year for India during the same period.

B) Swot Analysis

- Strength
 - Large production capacity enables faster deliveries.
 - Timely upgradation of Technology used.
 - Visible brand equity for "Real" brand
- Weaknesses
 - Dependency on one product
 - Less availability of skilled manpower in the industry
- Opportunities
 - Increase in awareness of use of Stainless Steel in India.
 - Favourable Government policies for promotion of Stainless Steel.
- Threats
 - Less options available for Raw Material Supplies.
 - Frequent fluctuation in Raw Material prices.
 - Increasing competitiveness in the market.

C) Risks, concerns & their management

Risk is involved in all types of businesses 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 endeavours.

Some of the risks affecting your company are described as under:

- Strategic risk
 - The steel industry today faces several significant strategic issues elaborately which includes industry consolidation issues, execution of profitable growth options, raw materials linkages & scrutiny, technology and new product development, raising finance from global finance markets, protecting the environment and serving the community while creating values for its shareholders.
 - In today's industrial structure of metal industry it has become difficult to make future strategies of development which involves huge risk of finance, selection & execution of profitable growth opportunities which due to globalization has increased even more but the management in order to mitigate the risk of such issues does periodic review of issues relating to further development of your company. Planning and timely execution of its projects in order to create better value for its shareholders.
- Business & 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 generally affected by macroeconomic fluctuations in the global market. The current market scenario shows that the market is still very volatile in terms of Raw Material price which makes it difficult for the management to maintain the parity between stocks against order as there are favorable chances of customers to cancel the order due to frequent changes in rates.
- Quality risk
 - For a company maximum attrition of customer is due to quality but, we at Realstrips believe in the best quality product for content to our customers.



Care is taken before selecting a new supplier for any material that is used in your company. Company uses the best kind of material in its process and also manufactures the best quality.

The quality of the product is monitored by quality control department as well as the samples are tested before supplying to the customers. Just to provide best quality material your company has setup a new laboratory with the best equipments available.

The company follows the stringent quality measures across raw material procurement, production, despatch, distribution and sales benchmarked to the ISO 9001:2000.

- **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 becomes difficult to predict the future of the industry and the demand.

Company always tries to find out various options available in the market to get the best quality at a cheaper rate. Also, your company with its credit has well bargaining power so is able to cope in the volatile market of stainless steel.

D) Product wise performance

The company deals in a single product, i.e. cold rolled stainless steel coils. The production of the company in 2010 - 2011 was 29331 MT which is more than 20% over the previous year.

E) Outlook

(i) **Steel division**

India offers a fast growing steel industry with enormous future growth potentials inherent. Even in the tough times of economic slowdown, the industry succeeded to sustain its positive growth momentum on the strong fundamentals of domestic demand from construction, automobile and infrastructure sectors. Stainless steel is emerging as a fastest growing segment in the Indian steel industry with consumption growth forecast at 8.1% Compound Annual Growth Rate during 2010-2013.

(ii) **Wind mill division.**

You will feel proud to know that your company is the only one which uses 100% Green power generated from wind for the manufacturing of stainless steel. Company has four windmills with the capacity of 1.25MW, 0.35MW and 0.60MW (2 mills), to help the drive of alternative energies and save power cost to us as well as the nation which makes us an eco-friendly citizen of our country.

(iii) **Internal control system and their adequacy**

The company is ISO 9001:2000 certified and this is the 5th consecutive year in which your company has been awarded the certificate for its excellence in controlling the internal system of quality. The company maintains its own internal control systems and procedures to commensurate with its size and nature of business so as to have a better and clear working. The internal control systems are supported by internal audit carried out by a professional audit firm at the Registered office as well as at works. The firm carries out extensive audit throughout the year covering almost all the areas of operation. The adequacy and effectiveness of the internal control, as well as compliance with the laid down systems and policies are comprehensively monitored by the internal auditors. The management reviews the findings of internal auditors on regular basis by the way of having monthly review meetings.

(iv) **Human resources**

The company believes in continuous improvement of the workforce by the way of providing vocational as well practical training by organizing training programmes and appointing professional trainers to improve the knowledge as well as the quality of the workforce within the company. We are putting efforts to make our appraisal system more effective to cater the financial and career aspirations of employees to increase organizational effectiveness and efficiency.

Our industrial relations are good and harmonious. Both management and workgroup take positive approach and come to mutual understanding, wherever necessary for betterment of the organization.

The company believes in constant improvement of the organization for which the company has designed a system that connects the top level management directly with floor level workforce, this directly helps the management to understand the grievances of the workforce and remove the same which creates better environment as well as understanding in the organization.

(v) **Cautionary statement**

Statement in this report on management's discussion and analysis describing the company's objectives, projections, estimates, exceptions or predictions may be forward looking statements and are based on certain assumptions and exception of future events. Actual result could however differ materially from those expressed or implied. Important factors that could make a difference to the company's operations including global and domestic demand-supply conditions, finished goods prices, raw material cost and availability, changes in government regulations and tax structures, economic developments within India and the countries with which the company has business contracts and other factors such as litigation and industries relations.

The company assume no responsibility in respect of forward looking statements herein which may undergo changes in future on the basis of subsequent developments, information and events.

**AUDITOR'S REPORT**

**TO
THE MEMBERS OF
REAL STRIPS LIMITED,**

- 1) We have audited the attached Balance Sheet of **REAL STRIPS LIMITED** as at 31st March 2011, the Profit & Loss Account and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our Audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) amended order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in the paragraph 4 & 5 of the said order, for the year under consideration.
- 4) Further to our comments in the Annexure referred to in paragraph 3 above, we broadly 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 accounts as required by law have been kept by the company so far as it appears from our examination of those books.
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement are in agreement with books of accounts.
 - d. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in Sub-Section (3C) of section 211 of the Companies Act, 1956, to the extent applicable.
 - e. As per the representation made by the Company and all its Directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31st, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- 5) In our opinion and according to the best of our information and explanations given to us, the said Balance Sheet and Profit and Loss Account read together with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India :
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 - b) In the case of Profit and Loss Account, of the **Profit** for the year ended on that date and
 - c) In the case of cash flow statement, of the cash flows for the year ended on that date.

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

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

**PLACE : AHMEDABAD
DATE : 28TH May 2011.**

**ANNEXURE TO AUDITOR'S REPORT**

[REFERRED TO IN PARAGRAPH (3) OF THE AUDIT REPORT OF EVEN DATE TO THE MEMBERS OF **REAL STRIPS LIMITED**, ON THE ACCOUNTS FOR THE YEAR ENDED ON **31ST MARCH, 2011.**]

- 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 from one such party of ₹ 3 Crores and which has been repaid before the year end. 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 ₹ 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) In our Opinion, the Company has an Internal Audit Department system commensurate with the size and nature of its business; however there is further scope to enlarge and strengthen the same.
- 8) As informed to us, the Central Government of India has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the product of the Company.
- 9) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees 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, 2011 for a period of more than six months from the date they become payable.
- (c) There are no outstanding dues of Sales Tax, Income Tax, Custom Duty, Wealth Taxes, Excise Duty and Cess which have not been deposited on account of dispute.
- 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, the company has not any granted 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 provisions 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 an 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 made preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956. The price at which the allotments are made are not prejudicial to the interest of the company.
- 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 is 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**

**PLACE : AHMEDABAD
DATE : 28th May, 2011.**

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

**BALANCE SHEET AS ON 31st MARCH 2011**

PARTICULARS	SCHEDULE No.	AS ON 31/03/2011		AS ON 31/03/2010	
		₹		₹	
A. SOURCES OF FUNDS					
1. SHAREHOLDERS' FUNDS:					
a. Share Capital	1	59748500		49747500	
b. Equity Share Warrants	1A	0		12750000	
c. Reserves and Surplus	2	335050850	394799350	235456211	297953711
2. LOAN FUNDS:					
a. Secured Loans	3	682560727		424782092	
b. Unsecured Loans	4	73776978	756337705	174373524	599155616
3. DEFERRED TAX LIABILITY			25616100		32259100
			1176753155		929368427
B. APPLICATION OF FUNDS					
1. FIXED ASSETS:	5				
a. Gross Block		728629132		689907997	
b. Less: Depreciation		385040675		327310995	
NET BLOCK		343588457		362597002	
c. Capital Work in progress		126340361	469928818	3630670	366227672
2. INVESTMENTS	6		330370		322290
3. CURRENT ASSETS, LOANS & ADVANCES:	7				
a. Inventories		371595630		436659089	
b. Sundry Debtors		772448445		443318203	
c. Cash and Bank balances		44709584		25391585	
d. Loans & Advances		25423738		43656504	
		1214177397		949025381	
Less: Current Liabilities & Provisions	8	507878371		386311837	
Net Current Assets			706299026		562713544
4. MISCELLANEOUS EXPENDITURE: (to the extent not written off or adjusted)					
Preliminary Expenses			194941		104921
			1176753155		929368427
NOTES ON ACCOUNTS	15				

As per our even date report
FOR MEHTA LODHA & CO.
CHARTERED ACCOUNTANTS

A. K. KATARIA

CHAIRMAN

ARVIND D. SANGHVI

MANAGING DIRECTOR

PRAKASH D. SHAH
PARTNER**PRAKASHRAJ S. JAIN**

JOINT MANAGING DIRECTOR

UGAMRAJ M. HUNDIA

JOINT MANAGING DIRECTOR

PLACE : AHMEDABAD
DATE : 28th May, 2011PLACE : AHMEDABAD
DATE : 28th May, 2011

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2011**

PARTICULARS	SCHEDULE No.	CURRENT YEAR ₹	PREVIOUS YEAR ₹
INCOME			
Sales and Operational Incomes		3156034921	2432951675
Less : Excise duty		294621794	190088685
Power Generation Income		18128833	35206197
Other Income	9	5550	127371
Increase in Stocks	10	37604647	121535331
		2917152157	2399731889
EXPENDITURES :			
Material Cost		2428306994	1941835589
Manufacturing and other Expenses	11	222268131	214517940
Employees Remuneration	12	39807310	35200087
Financial Expenses	13	81791938	67666769
Selling & Distribution Expenses	14	7067202	7260490
Preliminary Expenses written off		59980	29980
Depreciation		59586834	62082189
		2838888389	2328593044
Net Profit for the year before Taxation		78263768	71138845
Less: Provision For Taxation:			
(i) Current Tax		19404000	12090000
(ii) Deferred Tax		(6643000)	(3729000)
(iii) Wealth Tax		0	15000
Net Profit after Taxation		65502768	62762845
Add/(Less):Prior Period Adjustment		41977	(6683)
Net Profit for the Year		65544745	62756162
Add: Balance as per Last Year		121256211	74307165
Less: Transferred to General Reserve		10000000	10000000
Less: Proposed Dividend on Equity Shares		5980000	4980000
Less: Dividend Distribution Tax		970106	827116
Balance carried forward to Balance Sheet		169850850	121256211
NOTES ON ACCOUNTS	15		
EARNINGS PER SHARE			
Basic Earnings Per Share (In Rupees)		13.13	15.14
Diluted Earnings Per Share (In Rupees)		13.13	14.87
Face Value Per Share (In Rupees)		10.00	10.00

As per our even date report
FOR MEHTA LODHA & CO.
 CHARTERED ACCOUNTANTS

A. K. KATARIA

CHAIRMAN

ARVIND D. SANGHVI

MANAGING DIRECTOR

PRAKASH D. SHAH
 PARTNER

PRAKASHRAJ S. JAIN

JOINT MANAGING DIRECTOR

UGAMRAJ M. HUNDIA

JOINT MANAGING DIRECTOR

PLACE : AHMEDABAD
 DATE : 28th May, 2011

PLACE : AHMEDABAD
 DATE : 28th May, 2011



	AS ON 31/03/2011 ₹	AS ON 31/03/2010 ₹
SCHEDULE 1 : SHARE CAPITAL		
Authorised:		
80,00,000 (80,00,000) Equity Shares of ₹ 10/- each	80000000	80000000
5,00,000 (5,00,000) Preference Shares of ₹ 10/- each	5000000	5000000
	<u>85000000</u>	<u>85000000</u>
Issued,Subscribed & Paid-up:		
59,80,000 (49,80,000) Equity Shares of ₹ 10/- each,fully paid up.	59800000	49800000
Call in Arrears-Other than Directors	51500	52500
	<u>59748500</u>	<u>49747500</u>
	<u>59748500</u>	<u>49747500</u>
SCHEDULE 1 A		
EQUITY SHARE WARRANTS		
Nil [P.Y.10,00,000 Partly Paid Up (P.Y. ₹ 12.75 per warrant paid up) Convertible Warrants of ₹ 51/-each]. (During March 2011, on full payments, all convertible warrants have been converted into fully paid up equity shares of Face Value of ₹ 10/- each, at a premium of ₹ 41/- per Equity share)	0	12750000
	<u>0</u>	<u>12750000</u>
SCHEDULE 2 : RESERVES & SURPLUS		
A) Capital Reserve:		
Government Capital Subsidy		
- Balance as per last year	1500000	1500000
B) Share Premium Account		
- Balance as per last Year	67700000	18500000
- Addition during the Year	41000000	49200000
	<u>108700000</u>	<u>67700000</u>
C) General Reserve:		
- Balance as per last Year	45000000	35000000
- Addition during the Year	10000000	10000000
	<u>55000000</u>	<u>45000000</u>
D) Profit & Loss Account		
	<u>169850850</u>	<u>121256211</u>
	<u>335050850</u>	<u>235456211</u>
SCHEDULE 3 : SECURED LOANS		
Term Loans from :		
(a) Banks:		
- Rupee Term Loan-[Note No.1(a)]	103693348	64256502
- Corporate Loan-[Note No.1(b)]	2777795	8333345
	<u>106471143</u>	<u>72589847</u>
Working Capital Facilities from Banks (Note No.2) (Includes foreign currency Working Capital Term Loan of ₹ NIL P.Y. ₹ 174251791/-)	570705265	351862237
Hire Purchase Finance for Vehicles (Note No.3)	5384319	330008
	<u>682560727</u>	<u>424782092</u>

Notes:-

- 1) (a) 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) Working Capital facilities from Union Bank of India, State Bank of India and IDBI Bank Ltd. 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.
- 3) Hire purchase finance is secured by Hypothecation of Vehicles financed and personal guarantees of some of the Directors of the Company.



AS ON 31/03/2011
₹

AS ON 31/03/2010
₹

SCHEDULE 4 : UNSECURED LOAN

Deposits/Loans from - Body Corporates

73776978

174373524

73776978

174373524

SCHEDULE 5 : FIXED ASSETS

A/C.YEAR 2010-2011

ITEMS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	AS ON 01/04/2010 ₹	ADDITION ₹	DEDUCTION ₹	AS ON 31/03/2011 ₹	AS ON 01/04/2010 ₹	ADDITION ₹	DEDUCTION ₹	AS ON 31/03/2011 ₹	AS ON 31/03/2011 ₹	AS ON 31/03/2010 ₹
Freehold Land	943946	20968350	0	21912296	0	0	0	0	21912296	943946
Building	83073607	0	0	83073607	32247275	4730336	0	36977611	46095996	50826332
Plant and Machinery	584878954	13019920	0	597898874	285149554	52700355	0	337849909	260048965	299729400
Furnitures & Fixtures	11155640	372868	0	11528508	5779895	992312	0	6772207	4756301	5375745
Computer	1857382	65400	0	1922782	1421016	180296	0	1601312	321470	436366
Vehicles	7998468	8482499	4187902	12293065	2713255	983535	1857154	1839636	10453429	5285213
Total	689907997	42909037	4187902	728629132	327310995	59586834	1857154	385040675	343588457	362597002
Previous Year	660859151	32030518	2981672	689907997	266884156	62082189	1655350	327310995	362597002	393974995

AS ON 31/03/2011
₹

AS ON 31/03/2010
₹

SCHEDULE 6 : INVESTMENTS

Quoted - Trade

1009 Equity Share of Union Bank of India face value of ₹ 10 each

110990

110990

20000 units of SBI Infrastructure Fund of Face value of ₹ 10/- each

200000

200000

(Market Value of Investments ₹ 537775/- previous year ₹ 501731/-)

SILVER

19380

11300

330370

322290

SCHEDULE 7 : CURRENT ASSETS, LOANS & ADVANCES

A. Inventories

(As valued, verified & certified by the Management)

a. Stores and Spares

26380207

18751202

b. Raw Material

85921828

143409116

c. Work In Process

221879182

190842129

d. Finished Goods

27609433

20365378

e. Goods in Transit

9804980

63291264

371595630

436659089

B. Sundry Debtors

(Unsecured, Considered good)

- More than six months

46742743

41110962

- Others

725705702

402207241

772448445

443318203

C. Cash & Bank Balance

a. Cash on Hand

1327542

248928

b. Cash at Bank with Schedule Banks in

- Current Account

2152066

1833862

- Fixed Deposits

40673361

22839372

- Unclaimed Dividend Account

556615

469423

44709584

25391585



	AS ON 31/03/2011 ₹	AS ON 31/03/2010 ₹
D. Loans & Advances		
(Unsecured, Considered good)		
Loans and Advances recoverable in cash or in kind or for value to be received	5840484	4360474
Loans & Advances to Staff	327362	256546
Deposits	4741045	14852385
Balance With Government Authorities.	14514847	22077781
Balance with Income Tax	0	2109318
	<u>25423738</u>	<u>43656504</u>

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS**Current Liabilities:**

Sundry Creditors	494727180	374068206
Unclaimed Dividend	556615	469423
Provisions :		
Provision of Income Tax (Net of Advance Tax and TDS of ₹ 13759530/- P.Y. ₹ 6137908/-)	5644470	5952092
Provision of Wealth Tax	0	15000
Proposed Dividend	5980000	4980000
Dividend Distribution Tax Payable	970106	827116
	<u>507878371</u>	<u>386311837</u>

	CURRENT YEAR ₹	PREVIOUS YEAR ₹
SCHEDULE 9 : OTHER INCOME		
Dividend Income (Gross) (TDS ₹ Nil Previous Year ₹ Nil)	5550	5045
Export Incentives	0	122326
	<u>5550</u>	<u>127371</u>

SCHEDULE 10 : INCREASE IN STOCKS**OPENING STOCK**

- Finished Goods	20365378	12582981
- Work In Process	190842129	76145347
	<u>211207507</u>	<u>88728328</u>

CLOSING STOCK

- Finished Goods	27609433	20365378
- Work In Process	221879182	190842129
	<u>249488615</u>	<u>211207507</u>

Add/(Less): Increase/(Decrease) of Excise Duty on Closing stock of Finished Goods

	(676461)	(943848)
INCREASE IN STOCKS	<u>37604647</u>	<u>121535331</u>



	CURRENT YEAR ₹	PREVIOUS YEAR ₹
<u>SCHEDULE 11 : MANUFACTURING AND OTHER EXPENSES</u>		
Power and Fuel	132982499	126145156
Stores and Spares	59354675	58855592
Job Charges	2234573	789165
Freight and Octroi	695909	750921
Testing Charges	56105	25437
Machinery Repairs	4110370	2136965
Building Repairs	48570	375549
Vehicle & Other Repairs	487712	606484
Rent Rates and Taxes	106970	107470
Directors Remuneration	1920000	1920000
Directors Meeting Fees	48000	56000
Insurance Premium (Includes Keyman insurance payment of - - ₹ 2005340/- P.Y. ₹ 2005340/-)	2850644	2631403
Postage Telegram & Telephone Expenses	669907	679168
Conveyance Expenses	3016466	1789460
Traveling Expenses	766675	418729
Printing and Stationery	534339	556995
Vehicle Expenses	1141561	1135012
Auditors' Remuneration:		
- Audit Fees	200000	150000
- Tax Audit Fees	30000	30000
- Other Matters	52015	65500
Legal and Professional Charges	1943982	1306044
General Expenses	2801211	1772212
Advertisement	271358	239819
Discount, Kasar, Claim & Bad Debts.	0	4408804
Effluent Treatment Expense	4123251	3789290
Wind Mill Expenses	1403591	3544167
Loss on sale of Fixed assets (Net)	417748	232598
	222268131	214517940
<u>SCHEDULE 12 : EMPLOYEES REMUNERATION</u>		
Salaries,Wages and Allowances and Bonus	36643392	31975322
Contribution to Provident and other funds	1523137	1401484
Staff Welfare and amenities	1640781	1823281
	39807310	35200087
<u>SCHEDULE 13 : FINANCIAL EXPENSES</u>		
Term Loan Interest	7273229	9681828
Bank and other Loan Interest	68977162	51042913
Total	76250391	60724741
Interest Income and Capitalised Gross (TDS ₹ 226159/- P.Y. ₹ 209308/-)]	7928742	1693223
Interest on Call- in-Arrear	2895	0
	7931637	1693223
Bank and Finance Charges	68318754	59031518
Exchange Rate Fluctuation	10435445	6379516
	3037739	2255735
	81791938	67666769
<u>SCHEDULE 14 : SELLING & DISTRIBUTION EXPENSES</u>		
Commission on sales	3502442	4382058
Freight and Forwarding Outward & Other Expenses	3564760	2878432
	7067202	7260490

**SCHEDULE 15 : NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED AS ON 31/03/2011****1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES****A. : ACCOUNTING CONVENTION :**

The Financial Statements are prepared under historical cost convention on accrual basis in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

B. : 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.

C. : FIXED ASSETS :

- i. The Gross Block of fixed assets are shown at cost which includes taxes, duties and preoperative expenses. Cost of Fixed Assets has been reduced to the extent of Excise Duty under Capital Cenvat Scheme, Service Tax & VAT where such credit is availed.
- ii. Capital work in progress is shown at cost and includes the amount of capital work in progress and advances for capital goods.
- iii. 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.

D. : 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.

E. : 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'.

F. : SALES :

Sales includes sales value of goods, Excise duty but excludes VAT/CST, trade discount & other taxes and material returned/rejected and the Operational income includes job charges income.

G. : RAW MATERIAL CONSUMPTION :

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

H. : 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.

I. : 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 Profit and Loss Account.
- (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 Profit and Loss account. The exchange difference measured by the exchange rate between the inception of the forward contract and date of balance sheet is applied on foreign currency amount of the forward contract.

J. : TREATMENT OF RETIREMENT BENEFITS :

Company contributes to group gratuity policy with Life Insurance Corporation of India 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 Profit & Loss Account. Privilege leave is accounted for accrual basis.

K. : DEFERRED REVENUE EXPENSES AND PUBLIC ISSUE EXPENSES:

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

L. : 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.

M. : TAXATION:

INCOME TAXES : The expenses comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

DEFERRED TAX: is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.



At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

N : INVESTMENT:

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

O : IMPAIRMENT OF ASSETS:

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 Profit and Loss account. If at the Balance Sheet date there is an indication that if 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.

P : PROVISION AND CONTINGENT LIABILITIES :

- (a) Provisions are recognized when the present obligation of a past event gives rise to a probable outflow, embodying economic benefits on settlement, and the amount of obligation can be reliably estimated.
- (b) Contingent Liabilities are disclosed after a careful evaluation of facts and legal aspects of the matter involved.
- (c) Provisions and Contingent Liabilities are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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

- 2. (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 creditors, debtors, loans, 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.
- 3. As per Accounting Standard 15 "Employee Benefit", the disclosures as defined in the Accounting Standard are given below

	(₹ In Lacs)	
	Current Year	Previous Year
a) Defined contribution to Provident Fund		
Company contribution to Provident Fund	4.20	3.84
Company contribution to Pension Fund	9.19	8.49
b) Defined Benefit Plans - Gratuity (Funded)		
a) Assets recognised in the Balance Sheet		
i) Present Value of obligation at the beginning of the Period	16.30	12.29
Current Service Cost	4.32	2.81
Interest Cost	1.30	0.98
Actuarial (Gain)/Loss	2.46	0.22
Benefit Paid	0.00	0.00
Present Value of obligation as at year end	24.38	16.30
Less:		
ii) Fair Value of Plan Assets at the beginning of the Period	19.64	-
Expected return on Plan Assets	1.75	0.75
Actuarial gain/(loss)	0.04	0.06
Employers' Contribution	4.43	18.83
Benefit Paid	0.00	0.00
Fair Value of Plan Assets as at year end	25.85	19.64
Amount recognised in the Balance Sheet	0.00	0.00
b) Expenses during the year		
Service Cost	4.32	2.81
Interest Cost	1.30	0.98
Expected return on Plan assets	-1.75	-0.75
Actuarial (Gain)/Loss	2.43	0.16
Total	6.30	3.20
c) Actual Return on plan assets	0.04	0.06
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	8.00%	8.00%
Expected return on Plan Assets	8.00%	8.00%
Rate of increase in Salaries	5.00%	5.00%
Attrition Rate	2.00%	2.00%



4. The company is contingently liable for the followings:-

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided are ₹ 75.45 Lacs (Previous Year ₹ 37.80 lacs)
- (b) Bills discounted and reduced from debtors of ₹ 41.55 Lacs (Previous Year ₹ 1363.89 Lacs).
- (c) Letter of credit issued by the bank of ₹ 633.85 Lacs (Previous Year ₹ 900.00 Lacs)
- (d) Bank Guarantee of ₹ 42.74 Lacs (Previous Year ₹ 42.74 Lacs)

5. Related Parties Disclosures as indentified by the company & with whom transaction during the year has taken place:

(A) Particulars of Associates

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

(B) Key Management Personnel

<u>Name of the Related Parties</u>	<u>Nature of Relationship</u>
(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.Babulal 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.Deepak U. Hundia	General Manager
(xi) Mr. Romitraj P. Jain	General Manager(Marketing)

(C) Transactions with Associates

	<u>Current Year Amount (₹ in Lacs)</u>	<u>Previous Year Amount (₹ in Lacs)</u>
(i) Sale of Finished Goods	111.00	0.14
(ii) Purchase of Capital Goods	3.45	0.00
(iii) Purchase of DEPB	82.95	0.00
(iv) Unsecured Loan taken	300.00	200.00
(v) Unsecured Loan repaid	300.00	200.00
(vi) Interest Payment	21.62	22.37
(vii) Purchases of Gift Articles	1.09	0.00

(D) Details of Transactions with the persons referred to in (B) above

(i) Remuneration to Director	19.20	19.20
(ii) Salary	11.07	9.27
(iii) Director Meeting Fees	0.48	0.56

6) Basic Earnings Per Share

I. Net Profit as per Profit & Loss Account available for Equity Shareholders.	65544745	62756162
II. Number of equity shares of ₹ 10/- each	5980000	4980000
iii. Pro-rata Shares during the year	4990668	4144932
iv. Basic Earnings Per Share of Face value of share of ₹ 10/-each	13.13	15.14
v. Diluted Earnings Per Share of Face value of share of ₹ 10/-each	13.13	14.87

7. Segment Reporting:

The Company is engaged in manufacturing 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.

8. Deferred Tax Liability / (Asset) at the year end comprise timing difference on account of :

Deferred Tax Liabilities:-		(₹ in Lacs)
Depreciation	256.16	322.59

9. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development 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 have not been given.



10. Additional information pursuant to the provisions of paragraph 3 & 4 (c) (d) of part II of schedule VI of the Companies Act, 1956. To the extent applicable and certified by the management.

i) Licensed & Installed Capacity & Production	CURRENT YEAR			PREVIOUS YEAR	
	a) Licensed Capacity	Not Applicable			Not Applicable
b) Installed Capacity (Annualised and as assessed by the management)	Unit	Quantity		Quantity	
Cold Rolled S.S.Coils/ S.S. Strips	MT	30000		30000	
c) Production	Cold Rolled S.S.Coils/ S.S. Strips				
Own	Kgs.	29156875		23987440	
Job Work	Kgs.	174207		449503	
Total	Kgs.	29331082		24436943	
ii) Details of Raw Materials consumed :-					
Items	CURRENT YEAR			PREVIOUS YEAR	
	Unit	QTY.	₹	QTY.	₹
Hot Rolled S.S.Coils	Kgs.	30791154	2428306994	26200923	1941835589
iii) Details of Stocks-Finished Goods - Cold Rolled S. S. Coils/S.S. Strips					
a) Opening Stocks	Kgs.	197514	20365378	126662	12582981
b) Closing Stocks	Kgs.	171622	27609433	197514	20365378
iv) Sales and operational income					
Sales-Cold Rolled S. S. Coils/S.S. Strips	Kgs.	29182767	2803732256	23916588	2213418309
Job Work-Cold Rolled S. S. Coils/S.S. Strips	Kgs.	174207	1695076	449503	6259166
Scrap & Others			55985795		23185515
Total		29356974	2861413127	24366091	2242862990
v) C.I.F.Value of Import					
- Raw Materials	₹	148500454		12770221	
vi) Earning in Foreign Exchange					
- F.O.B. Value of Export	₹	NIL		4344115	
vii) Expenditure in Foreign Currency					
- Capital Expenditure	₹	13601446		NIL	
- Interest	₹	10026479		6302564	
- Travelling	₹	192283		NIL	
viii) Composition of Raw Material and Stores and spares					
(a) Raw Material	% of		₹	% of	
	Consumption			Consumption	
- Imported	6.12	148500454		0.66	12770221
- Indigenous	93.88	2279806540		99.34	1929065368
	100	2428306994		100	1941835589
(b) Stores and Spare Parts					
- Indigenous	100	59354675		100	58855592



11) STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE	
I. REGISTRATION DETAILS	
Registration No.	0 4 - 1 4 3 8 3 State Code 0 4
Balance Sheet	3 1 0 3 2 0 1 1
	Date Month Year
II. CAPITAL RAISED DURING THE YEAR - Amount in thousands	
Public Issue	N I L Right Issue N I L
Bonus Issue	N I L Private Placement (Excluding Share Premium Amount) 1 0 0 0 0
III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS - Amount in thousands	
Total Liabilities	1 1 7 6 7 5 3 Total Assets 1 1 7 6 7 5 3
SOURCES OF FUNDS	
Paid-up Capital	5 9 7 4 8 Reserves and Surplus 3 3 5 0 5 1
Share Warrant	0 Unsecured Loans 7 3 7 7 7
Secured Loans	6 8 2 5 6 1 Deferred Tax Liability 2 5 6 1 6
APPLICATION OF FUNDS	
Net Fixed Assets	4 6 9 9 2 9 Investments 3 3 0
Net Current Assets	7 0 6 2 9 9 Misc. Expenditure 1 9 5
Accumulated Losses	N I L
IV. PERFORMANCE OF COMPANY - Amount in thousands	
Turnover and other Income	2 8 7 9 5 4 8 Total Expenditure 2 8 0 1 2 8 4
Profit Before Tax	7 8 2 6 4 Profit After Tax 6 5 5 4 5
Earning Per Share (in ₹)	1 3 . 1 3 Dividend Rate % 1 0
V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY (AS PER MONETARY TERMS)	
Item Code No. (ITC Code)	Product Description
7220	C O L D R O L L E D S T A I N L E S S S T E E L S T R I P S / C O I L S

12. 12. Corresponding figures of the previous year have been regrouped and/or re-arranged wherever necessary to confirm to this year's figures. Figures in brackets relates to previous year.
Signature to the Schedule 1 to 15

As per our even date report
FOR MEHTA LODHA & CO.
CHARTERED ACCOUNTANTS

PRAKASH D. SHAH
PARTNER

PLACE : AHMEDABAD
DATE : 28th May, 2011

A. K. KATARIA

CHAIRMAN

ARVIND D. SANGHVI

MANAGING DIRECTOR

PRAKASHRAJ S. JAIN

JOINT MANAGING DIRECTOR

UGAMRAJ M. HUNDIA

JOINT MANAGING DIRECTOR

PLACE : AHMEDABAD

DATE : 28th May, 2011

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2011**

Particulars	Year Ended 31 st March 2011 ₹	Year Ended 31 st March 2010 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net profit before tax & extra-ordinary items	78263768	71138845
Adjusted for		
- Depreciation	59586834	62082189
- Loss / (Profit) on sale of fixed assests	417748	232598
- Financial Expenses	81791938	67666769
- Preliminary and Public issue expenses written off	59980	29980
	<u>141856500</u>	<u>130011536</u>
Operating profit before working capital charges :	220120268	201150381
Changes in:-		
- Trade & others receivables	(310897476)	(243834390)
- Inventories	65063459	(261725368)
- Trade and other payables	120746166	229950412
	<u>(125087851)</u>	<u>(275609346)</u>
Cash generated from operations :	95032417	(74458965)
- Direct taxes paid/payable	(19726622)	(6137908)
Cash flow before extra-ordinary items :	75305795	(80596873)
Extra-ordinary items-Prior period adjustment	41977	(6683)
NET CASH FROM OPERATING ACTIVITIES A	<u>75347772</u>	<u>(80603556)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Investment	(8080)	(11300)
Purchase of fixed assets and change in Capital Work in Progress	(165618728)	(27938496)
Sale of fixed assets	1913000	1093724
Preliminary Expenses	(150000)	(74901)
NET CASH USED IN INVESTING ACTIVITIES B	<u>(163863808)</u>	<u>(26930973)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Share Capital / Warrants	38251000	61200000
Proceeds from Warrants	0	12750000
Proceeds from borrowings	157182089	100950191
Financial Expenses paid	(81791938)	(67666769)
Dividend and Dividend Tax Paid	(5807116)	0
NET CASH USED IN FINANCING ACTIVITIES C	<u>107834035</u>	<u>107233422</u>
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	<u>19317999</u>	<u>(301107)</u>
OPENING CASH & CASH EQUIVALENTS	<u>25391585</u>	<u>25692692</u>
CLOSING CASH & CASH EQUIVALENTS	<u>44709584</u>	<u>25391585</u>

Notes:

(1) Figures in brackets indicates outflows.

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

As per our even date report
FOR MEHTA LODHA & CO.
CHARTERED ACCOUNTANTS**A. K. KATARIA**

CHAIRMAN

ARVIND D. SANGHVI

MANAGING DIRECTOR

PRAKASH D. SHAH
PARTNER**PRAKASHRAJ S. JAIN**

JOINT MANAGING DIRECTOR

UGAMRAJ M. HUNDIA

JOINT MANAGING DIRECTOR

PLACE : AHMEDABAD
DATE : 28th May, 2011PLACE : AHMEDABAD
DATE : 28th May, 2011

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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 **20th ANNUAL GENERAL MEETING** of the company to be held on Saturday, 24th September 2011 at 5.00 p.m. at -Palki Hall, Hotel Nalanda, Mithakhali Six Road, Ahmedabad - 380 006 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.



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(Folio No., DP ID*, Client ID* & Name of the Shareholder/ Joint holders/ Proxy IN BLOCK LETTERS is to be furnished below.)

PROXY FORM

DP ID*	Client ID*	Folio	No. of shares held

I/We _____ of _____

In the District of _____ being a Member/ Members of **REAL STRIPS LIMITED**, hereby appoint _____ of _____

_____ in the District of _____

or failing of the said _____ or _____ in

the District of _____ or failing of the said _____

of _____ in the District of _____ as my

/our proxy to vote for me/us on my/our behalf at the **20th ANNUAL GENERAL MEETING** of the company to be

held on Saturday, 24th September 2011 at 5.00 p.m. at -Palki Hall, Hotel Nalanda , Mithakhali Six Road, Ahmedabad-

380 006 and at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2011.

Signature of the said _____

Affix
Revenue
Stamp
here

Note: The Proxy must be deposited at the registered office of the Company not less than 48 hours before the time for holding of the aforesaid meeting.

* Applicable for the investors holding their shares in Electronic (Demat) Form.



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 sent 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) 2658-1296, 2658-2878

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:

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

For shares held in electronic form:

DP ID:

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

Client ID:

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

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)

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

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

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

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 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 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.



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Dear Shareholders,

The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliance by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices /documents (including notice calling Extra Ordinary/Annual General Meetings, Audited Financial Statements, Directors' Report, Auditors' Report etc) to their shareholders through electronic mode, to the registered e- mail addresses of the shareholders.

Shareholders can contribute to the Corporate Social Responsibility initiative of the Company. All you have to do is to register your e-mail id with the Company to receive communication through electronic mode.

Benefits of receiving e-communications:

- Receive communication promptly
- Ease of permanent storage of e-documents
- Reduce paper consumption and save trees
- Avoid loss of document in postal transit
- Save costs on paper and postage

Kindly note that if you still wish to get a hard copy/physical copy of all the communications, the Company undertakes to provide the same at no extra cost to you. Those shareholders who are not opting for e-mail registration will continue to receive physical copies of documents mentioned in the letter.

In case of Shares held in Demat form

For Shareholders holding shares in Demat form, the Company will send documents in electronic form to Email ID of the shareholders registered with depository. All shareholders are requested to ensure that registered Email Id with the depository should be current and updated to receive notices / documents electronically.

In case of Shares held in Physical form

Shareholders having shares in physical form should provide their Email Id to the Company's Registrar for opting to receive notices / documents electronically. To Register the E-mail ID with the company shareholders holding shares in physical form are requested to submit the following Form duly filled & signed by the shareholders.

Company is inviting registration of e-mail IDs of shareholders, in the format given below with a request to send the same to our Registrar at the following address.

Registrar & Share Transfer Agents
MCSLIMITED
 (Unit: Real Strips Limited)
 101, SHATDAL COMPLEX, 1ST FLOOR, OPP BATA SHOW ROOM, ASHRAM ROAD,
 AHMEDABAD – 380 009 PHONE: 26582880, 26584027 MOBILE: 09327055153

Name of Shareholder(s)* : _____

Folio No.* : _____

No. of Share held as on Date* : _____

E-mail ID (Permanent)* : _____

E-mail ID (Alternative) : _____

Contact No. (Mobile) : _____

Signature of Shareholder(s) : (1) _____

(2) _____

(3) _____