



PITAMBAR COATED PAPERS LIMITED

BOARD OF DIRECTORS : Shri Ved Bhushan Chairman & Managing Director
 Shri Anand Bhushan Director
 Shri Vijay Bhushan Director
 Shri Jaideep Aggarwal Director
 Shri Manish Aggarwal Director
 Shri Aashish Aggarwal Director
 Shri Krishan Kumar Mohindroo Director
 Shri Ram Sarup Lugani Director

COMPANY SECRETARY : Shri P.R. Baranwal

REGD. & HEAD OFFICE : 306, Deepshikha Building
 8, Rajendra Place
 New Delhi-110 008.

WORKS : A-912, RIICO Industrial Area
 Phase-III, Bhiwadi
 Distt. Alwar (Rajasthan)
 Pin-301 019.

BANKERS : Bank of India
 Oriental Bank of Commerce
 State Bank of India
 State Bank of Bikaner & Jaipur

AUDITORS : S.R. Dinodia & Co.
 Chartered Accountants
 K-39, Connaught Circus
 New Delhi-110001.

LISTING OF SHARES : The Stock Exchange, Delhi
 The Stock Exchange, Mumbai
 The Stock Exchange, Kolkata
 The Stock Exchange, Jaipur

PITAMBAR COATED PAPERS LIMITED

NOTICE

Notice is hereby given that the 8th (Eighth) Annual General Meeting of the members of Pitambar Coated Papers Ltd. will be held on:

Day and date : Wednesday, 25-09-2002

Time : 11.00 a.m.

Venue : Shah Auditorium
Shree Delhi Gujarati Samaj
2, Raj Niwas Marg
Civil Lines, Delhi-110054.

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet for the year ended 31st March, 2002 and Profit & Loss Account for the year ended on that date together with the Report of Auditors' and Directors' thereon.
2. To appoint a Director in place of Shri Anand Bhushan, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri Vijay Bhushan, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s S. R. Dinodia & Co. Chartered Accountants, the statutory auditors who retire at this meeting and being eligible offer themselves for reappointment, for the financial year 2002-03 who shall hold office as statutory auditors from this Annual General Meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board of Directors of
For PITAMBAR COATED PAPERS LTD.

Place : New Delhi
Dated : 22-08-2002

(VED BHUSHAN)
MANAGING DIRECTOR

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a PROXY to attend and, on a poll, to vote instead of himself/herself. A blank form or proxy is enclosed and, if intended to be used, should be returned to the Registered Office of the Company not less than 48 hours before the scheduled time of the meeting. A proxy so appointed need not be a member.
2. The Register of members and the Share transfer Books will remain closed from 16-09-2002 to 25-9-2002 (both days inclusive).
3. Members are requested to send their shares for demat through their Depository Participant as the Company's shares are compulsorily traded in Demat from 29.01.2001.
4. Members are requested to notify change in their address, if any, to the Company at the earliest.

DIRECTORS' REPORT

Dear Shareholders

Your directors have pleasure in presenting the 8th Annual Report of the Company together with Audited Statement of Accounts for the year ended 31st March, 2002.

OPERATIONS

Your Directors wish to inform you that during the year under review, the Company could not get better production and sales than the previous year due to reduction in sale/unit price of paper, competition and recession in paper industry. The production of paper & sales is shown as under:

Year	Sales MT.	Sales (Rs. in Lacs)
2000-2001	5661.65	2194.04
2001-2002	5622.86	2094.43

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Your Company is hopeful to achieve better results in coming years.

FUTURE PLANS

The Company intends to modify existing Paper Mill and Coating Plant to improve the overall quality. The Company also plans to install certain Balancing Equipment on these machines to increase per day production.

DIVIDEND

Due to accumulated losses, your Directors are unable to recommend dividend during the year under review.

FINANCIAL RESULTS

The financial results of the Company reflect the operation for the period ended 31st March, 2002 and are summarized as under:-

	2001-2002	(Rs. in Lacs) 2000-2001
Sales of product and the income	2077.86	2371.99
Profit before interest and Depreciation	394.40	406.66
Interest & financial charges	296.94	311.48
Profit before depreciation	97.46	95.18
Depreciation & Misc. expenses w/o	91.86	90.69
Profit (Loss)	5.60	4.49

MARKET

The market of Company's product i.e. Map Litho, Chromo Papers and Board, Art Paper, Art Cards and Photocopier Paper is growing and the Company expects to increase its market share in future.

DIRECTORS

During the year under review, there is no change among directors except resignation of Dr. Madan Gopal Garg w.e.f. 21-10-2001. However, as per provisions of the Companies Act, 1956 Shri Anand Bhushan and Shri Vijay Bhushan, Directors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and they being eligible offer

themselves for reappointment.

The Board of Directors have reviewed the annual accounts for the year ended 31-03-2002 and as per requirement of provisions of Section 217(2AA) of the Act, the Directors' hereby state as under:-

- (i) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors had prepared the annual accounts on a going concern basis.

The Board of directors hereby declare that there is no such director who is disqualified to act as director pursuant to the provisions of Section 274(I)(g) of the Companies Act, 1956.

AUDITORS

M/s S.R. Dinodia & Co. Chartered Accountants, Auditors of the Company, will retire at the ensuing Annual General Meeting and M/s. S.R. Dinodia & Co. being eligible, offer themselves for re-appointment.

AUDITORS' REPORT

In respect of observations made by the Auditors in their Report, your directors wish to state that the respective notes to the accounts are self-explanatory.

The specific issues raised by the auditors are explained below:-

- (i) Regarding non-provision of doubtful debts mentioned at Clause (f) of Auditors Report, the management is of the view that the respective

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amount is recoverable and the matter is subjudice in court of law.

- (ii) Regarding non-payment of statutory dues as mentioned at Clause (XVII) of Annexure to Auditors Report, stated that the same could not be paid in time due to liquidity problems.

CORPORATE GOVERNANCE

As per the requirement of Listing Agreement, the Company is required to implement the corporate governance regulations by 31st March 2003. The Company is in process of adherence of corporate governance regulations.

AUDIT COMMITTEE

Pursuant to requirement of Section 292A of the Companies Act, 1956 (as amended) your company had formed Audit Committee in the Board of Directors meeting held on 02-04-2001. The composition and meetings of Audit Committee are as under:

- (a) Composition of Audit Committee

The following are the members of audit committee

Mr. Anand Bhushan	Promoter/ Non Executive Director
Mr. Manish Aggarwal	Promoter/ Non Executive Director (heading accounts & finance)
Mr. Aashish Aggarwal	Promoter/ Non Executive Director

- (b) Meetings of Audit Committee

The meetings of Audit Committee were held on 28-4-2001, 30-7-2001, 18-8-2001, 30-10-2001 and 30-1-2002 respectively. Shri Anand Bhushan headed these meetings as Chairman and all the committee members had attended these meetings.

FIXED DEPOSITS

The Company has not accepted any fixed deposit from public.

LISTING FEE

The Company's Shares are listed with Delhi, Mumbai, Kolkata and Jaipur Stock Exchanges. The Company has paid the listing fee of Stock Exchange

in respect of financial year 2001-2002 to Delhi, Mumbai and Kolkata Stock Exchanges. However, annual listing fee for the year 2001-02 to Jaipur Stock Exchange is yet to be paid.

In the last Annual General Meeting held on 21-9-2001 the special resolution for delisting of securities from Jaipur and Kolkata Stock Exchanges were passed. The Company had filed the requisite resolutions with respective Stock exchanges and the office of Registrar of Companies, Delhi. These stock exchanges have yet to notify the delisting.

CONSERVATION OF ENERGY, TECHNOLOGY

A. CONSERVATION OF ENERGY POWER AND FUEL CONSUMPTION

	Year ended 31-3-2002	Year ended 31-3-2001
1. Electricity		
a) Purchased units	5223285	5361225
b) Rate per unit (Rs.)	4.49	4.38
2. Own Generation		
a) Units through Diesel Generator	511898	608237
b) Rate per unit (Rs.)	4.39	4.09
3. Energy produced by Boiler (in Lacs Kcal)	174990	146244

B. TECHNOLOGY

Technology for coating was procured alongwith Plant & Machinery supplied by M/s Trimatic Engineering (P) Limited. For Base Paper plant, Technical assistance has been obtained from M/s. Chemproject Design & Engineering (P) Ltd. The inputs and products are being tested in the laboratory maintained by the Company. Further your Directors have planned to modernize it and create separate R&D cell in near future and hope to achieve good results. During the year no technology was imported.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(In Rs. lacs)	Year ended 31-03-2002	Year ended 31-3-2001
Foreign Exchange earning	Nil	Nil
Foreign Exchange outgo	65.64	6.08

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PARTICULARS OF EMPLOYEES

There is no employee (whether employed for the whole of the year or part thereof) who were in receipt of remuneration exceeding the limits as laid down under Section 217(2A) of the Companies Act, 1956.

INDUSTRIAL RELATIONS

Your directors wish to place on record their sincere appreciation for the excellent team spirit and devotion to duty shown by the employees at all levels. It is hoped that present cordial relations will continue in future.

ACKNOWLEDGEMENTS

The Directors acknowledge with gratitude the cooperation and assistance received from various Government Agencies and Bankers viz. Bank of India, Oriental Bank of Commerce, State Bank of India and State Bank of Bikaner & Jaipur.

FOR & ON BEHALF OF THE BOARD
PITAMBAR COATED PAPERS LIMITED

Place: New Delhi
Dated: 22-08-2002

(VED BHUSHAN)
Managing Director

AUDITORS' REPORT

To the Shareholders of M/S PITAMBAR COATED PAPERS LIMITED

We have audited the attached Balance Sheet of M/S PITAMBAR COATED PAPERS LIMITED, as at 31st March, 2002 and also the Profit & Loss Account for the year ended on that date annexed thereto. 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.

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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India, in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order in so far as they are applicable to the company.

Further to our comments in the annexure referred to above, we report that:

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
- (c) The Company's Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Profit and Loss Account and Balance Sheet dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the directors as on 31st March, 2002 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2002 from being appointed as director in term of clause (g) of sub-section (I) of section 274 of the Companies Act, 1956.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the significant accounting policies in Schedule 'M' and "Note No. B(6)" regarding non provision of doubtful debts. Had this provision been made, the profit for the year would have been lower by Rs. 2,824,159.30 gives the information required

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by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2002 and

- (ii) in the case of the Profit & Loss Account of the Profit for the year ended on that date.

For S.R. DINODIA & CO.,
CHARTERED ACCOUNTANTS

(SANDEEP DINODIA)
PARTNER

PLACE : NEW DELHI
DATED : 20.8.2002

ANNEXURE REFERRED TO IN PARAGRAPH III OF OUR REPORT OF EVEN DATE OF THE ACCOUNTS OF M/S PITAMBAR COATED PAPERS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2002

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| <p>(i) The Company is in process of updating fixed assets register. As explained to us, no physical verification of assets has been conducted by the management during the year.</p> <p>(ii) None of the fixed assets have been revalued during the year.</p> <p>(iii) The physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw-materials.</p> <p>(iv) According to the information given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.</p> <p>(v) The discrepancies noticed on physical verification of stocks as compared to book records were not material.</p> <p>(vi) On the basis of our examination of stock valuation, we are of the opinion that the valuation of stock is fair and proper and is in accordance with the normally accepted accounting principles.</p> <p>(vii) There is no change in the basis of valuation of stock in the current year as compared to the preceding year.</p> <p>(viii) The Company has taken unsecured loans from company under the same management as defined under sub-section (I-B) of section 370 of the Companies Act, 1956 and also from parties listed in the register maintained under section 301 of the Companies Act, 1956.</p> | <p>(ix) Rate of interest, wherever applicable and other terms and conditions of such loans are prima facie, not prejudicial to the interest of the company.</p> <p>(x) The Company has not granted loans secured or unsecured to companies, firms or other parties listed in the registers maintained under section 301 and/or to the companies under the same management as defined under sub-section (1B) of section 370 of the Companies Act, 1956 (1 of 1956).</p> <p>(xi) In our opinion and according to the information and explanations given to us there is adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of stores, raw-materials including components, plant and machinery, equipment and other assets and for sale of goods.</p> <p>(xii) In our opinion and according to the information and explanations given to us the transactions of purchases of goods & materials and sale of goods, materials and services, made in pursuance of contracts or arrangements entered in the register maintained under section 301 the Companies Act, 1956 and aggregating during the year to Rs.50,000/- or more in respect of each party have been made at prices/rates which are reasonable having regard to prevailing market prices/rates for such goods, materials or services and the prices/rates at which transactions for similar goods, materials or services have been made with other parties.</p> |
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