

**PITAMBAR COATED
PAPERS LIMITED**

**18TH
ANNUAL REPORT
2011-12**

Pitambar Coated Papers Limited

BOARD OF DIRECTORS : Shri Subhash Gupta Managing Director
Shri Sunil Gupta Director
Shri Anshu Gupta Director
Shri Satish Gupta Director

REGD. & HEAD OFFICE : AG-23 Shalimar Bagh
Delhi-110 088.

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

BANKERS : Standard Chartered Bank
IDBI Bank

AUDITORS : Kumar Sharma & Co.
Chartered Accountants
302-303, Munish Plaza,
20, Ansari Road, Darya Ganj,
New Delhi-110002

REGISTRAR &
SHARE TRANSFER AGENT : M/s. Alankit Assignment Ltd
2E/21 Jhandewalan Extn.,
New Delhi-110055

LISTING OF SHARES : The Stock Exchange, Mumbai

Pitambar Coated Papers Limited

NOTICE

Notice is hereby given that the 18th (Eighteen) Annual General Meeting of the members of Pitambar Coated Papers Ltd. will be held on :

Day and date : Saturday, 29 September, 2012
Time : 2.00 PM
Venue : AG-23 Shalimar Bagh
New Delhi-110088.

ORDINARY BUSINESS

1. To receive, consider and adopt Audited Balance Sheet for the period ended 31st March, 2012 and Profit & Loss Account for the period ended on that date together with the Report of Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr. Sunil Gupta, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Anshu Gupta, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint M/s Kumar Sharma & Co. Chartered Accountants as statutory auditors of the company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
2. The Register of members and the Share transfer Books will remain closed from 28-09-2012 to 29-09-2012 (both days inclusive).
3. The Company has appointed M/S Alankit Assignment Ltd. having Regd. Office at 2E/21, First floor, Jhandewalan Extn, New Delhi – 110055 as for shares Transfer Agent for physical as well as for Demat.
4. Members are requested to notify change in their address, if any, and also provide their E-mail address for the purpose of sending necessary information and other correspondence at the registered office of the company.

DIRECTORS' REPORT

Dear Shareholders

Your Directors have pleasure in presenting the 18th annual Report of the Company together with Audited Statement of Accounts for the period ended 31st March, 2012 .

OPERATIONS

(Rs.in lacs)

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

Place : New Delhi (SUBHASH GUPTA)
Dated : 31-08-2012 Managing Director

Year	Sales MT.	Sales Gross	Sales Net of excise
2010-11	2348	842.51	841.46
2011-12	1317	610.06	582.02

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.

There is a drop in volume of sales by 30.83% during the year under review compare to last year from 2348MT to 1317MT which has resulted in low sales of Rs. 582.02 Lacs (net of excise duty) over last year. The main reasons for drop of sales were due to closure of unviable paper manufacturing operation during the year, labour problem and poor market conditions due to dumping of papers thorough imports as well as extra production capacity of Indian Paper Industry which has substantially effected the sales of the company.

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As already intimated in earlier reports, the company had filed a reference with BIFR u/s 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 and at the hearing held on 20-10-2008, company was declared the company as sick company and appointed IDBI as its operating agency. Based on the proposal IDBI prepared a scheme and submitted it to the BIFR.

BIFR approved the scheme after being circulated and notified for consideration of all concerned as per section 19A(2) read with section 19(1) of SICA.

Financial Restructuring of the company in terms of BIFR Order dated 13.08.2009 was effected into annual accounts of the company.

Equity share of company has been reduced from Rs. 80267300 divided into 8026730 Equity shares of Rs. 10/- each to Rs. 8026730 divided into 802673 Equity shares of Rs. 10/- each and unsecured Loans, statutory dues, sundry creditors etc have been written off as provided in the said Order.

The aforesaid change has been effected in terms of clause 10.3 of the sanctioned scheme related to reduction of share capital which provide the Equity capital of PCPL would be write down by 90%. And similarly clause 11.7 of the sanctioned scheme reiterates that the existing capital of the PCPL shall reduced by 90% and then every equity shares (of face value of Rs. 10/- each) shall be consolidated into one equity share of Rs. 10/- each fully paid up in term of sec 18 (2) (f) of SICA without the requirement of following the provisions of section 100-103 of the Companies Act, 1956. And after the effect of the said order, the equity capital of the company has reduced in the following manner:

Total Number of shares	805043 Equity Shares of Rs.10/- each
Less : Shares forfeited	8680 Equity shares
Effective Shares(Listed)	796363 Equity Shares

And further, the promoters/associates of the company agreed in terms of clause 11.11 of the

sanctioned scheme to bring the additional funds amounting Rs. 157.61 lacs into the form of equity of the company, which they put into the company during the year. And after introduction of the further capital the capital structure is as follow :

Total Number of shares	2381143 Equity Shares of Rs.10/- each
Less : Shares forfeited	8680 Equity shares
Effective Shares	2372463 Equity Shares of Rs.10/- each

Company has filed with the Mumbai Stock Exchange an application for granting the necessary approval for such capital increase, which is still awaited.

The Last year under view, company made a loss of Rs. 92,39,410/- and adding the prior period expenses, the loss reached to Rs. 92,44,960/- and during the year review, Company made a loss of Rs. 1,15,65,242.25/-, due to which total accumulated loss has reached to Rs.1,65,65,186.32/-, amount has been carried to Balance Sheet.

FINANCIAL RESULTS

The financial results of the Company reflect the operation for the period ended 31st March, 2012 and are summarized as under:-

(Rs. in Lacs)		
	Current Year 2011-12	Previous Year 2010-11
Sales of product and the income	610.06	867.31
Interest & financial charges	3.76	2.54
Profit before depreciation & Misc Expenditure	(8.52)	14.62
Provision for Taxation	—	—
Prior period adjustments	—	0.06
Profit (Loss) during the year	(115.65)	(92.44)
Profit/(Loss) carried to		
Balance Sheet	(165.64)	(49.99)

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DIRECTORS

As per provisions of the Companies Act, 1956 Mr. Sunil Gupta and Mr. Anshu Gupta Directors of the Company are liable to retire by rotation at the ensuing Annual General meeting and they being eligible offer themselves for reappointment.

DIRECTORS RESPONSIBILITY STATEMENT

The Board of Directors have reviewed the annual accounts for the period ended 31-03-2012 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 period 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(l)(g) of the Companies Act, 1956.

AUDITORS

M/s Kumar Sharma & Co. Chartered Accountants, Auditors of the Company, will retire at the ensuing Annual General Meeting and M/s Kumar Sharma & 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. Regarding the valuation on the basis of AS-15, company shall take necessary steps to ensure the valuation of gratuity and leave encashment benefits on actuarial valuation basis as required by AS-15.

CORPORATE GOVERNANCE

Pursuant to clause 49 of the Listing Agreement requirement, a Report on Corporate Governance is enclosed hereto.

FIXED DEPOSITS

The Company has not accepted any fixed deposit from public.

DIVIDEND

Due to low sales and carried over losses, your Directors are unable to recommend dividend during the year under review.

LISTING FEE

The Company's Shares are listed with Mumbai Stock Exchange. However, the pending listing fees is being paid in installments.

CONSERVATION OF ENERGY, TECHNOLOGY

The statement pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 is given in the Annexure forming part of this report.

PARTICULARS OF EMPLOYEES

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

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INDUSTRIAL RELATIONS

Yours 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 wish to place on record their gratitude to the Company's customers , delaers , suppliers, various departments of the Government and Banks for their continued support to the Company .

**FOR & ON BEHALF OF THE BOARD
PITAMBAR COATED PAPERS LIMITED**

Place : New Delhi
Dated : 31-08-2012

CHAIRMAN

ANNEXURE

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EARNING AND OUTGO

The Statement pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1986 is as under:-

A. CONSERVATION OF ENERGY POWER AND FUEL CONSUMPTION

	<i>Period Ended 31-3-2012</i>	<i>Year Ended 31.3.2011</i>
1. Electricity		
a) Purchased units	13,69,255	27,70,350
Total amount (Rs.)	78,06,608	1,35,07,855
Rate per unit (Rs.)	5.70	4.88
b) Own Generation		
(1) Through diesel generator		
Unit per ltr. of diesel Oil (Rs.)		
(ii) Through steam turbine/Generator units		
Unit per ltr. Of fuel		
2. Coal (specify quality And where used)		
Quantity (tonnes)	Nil	Nil
Total cost		
Average rate		
3. Furnace Oil Quantity (tonnes)	Nil	Nil
Total cost		
Average rate		
4. Others/internal generation		
Quantity	Nil	Nil
Total cost		
Rate/Unit		

Consumption per unit of production

	<i>Standards (if any)</i>	<i>Current year</i>	<i>Previous year</i>
HSD/LDO (in litres)			
Products (with Details) unit	—	Nil	Nil
Electricity	—	718.46	891.40
Furnace Oil/Coal	—	Nil	Nil
Others (specify)	—	Nil	Nil
D.G.Sets	—	Nil	Nil

B. RESEARCH & DEVELOPMENT (R&D)

- Specific area in which R&D Carried out by the Company : None
- Benefits derived as a result of The above R&D : None
- Future plan of action : None
- Expenditure on R&D : None
 - Capital
 - Recurring
 - Total
 - Total R&D Expenditure As a percentage of total Turnover.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

- The Company aspires to further cut cost and for a into photocopier paper in a bigger way to increase sales and profits. Technology required to attend the above shall be acquired and equipment shall be installed.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:
 - Technology : N.A
 - Year of Import : N.A
 - Has technology been fully absorbed : N.A
 - If not fully absorbed, areas Where this has not taken Place, therefore the future Plan of action : N.A

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C. FOREGIN EXCHANGE EARNINGS AND OUTGO

(In Rs. lacs)

	Year ended 31-3-2012	Period ended 31-3-2011
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	Nil

Corporate Governance Report

In accordance with Clause 49 of the Listing Agreement with the stock exchange on corporate Governance the details of compliance by the company are as under: -

1. Company's philosophy on code of corporate governance.

The Company's philosophy on corporate governance envisages achieving standards of accountability, transparency and equity in all its spheres and in all its dealings with its stakeholders. The shareholders were provided all the material information in a transparent manner.

2. Board of Directors.

The Board of Directors consists of four Directors.

Composition and category of Directors

Category	Name of Director	Other Directorships
Promoter/Non-Executive Directors	Sunil Gupta	1
Promoter/Executive Director	Managing Director	7
Independent	Anshu Gupta	Nil
Directors	Satish Gupta	Nil

Number of Board Meeting held and the dates on which held

Directors	No. of meetings attended	Last AGM (30-09-2011) Attended
Total No. of meetings held	9	Yes
Shri Subhash Gupta	9	Yes
Shri Sunil Gupta	8	Yes
Shri Anshu Gupta	7	Yes
Shri Satish Gupta	7	Yes

No of Board meetings held :

During the period Seven Board meetings were held on 30-04-2011, 31-07-2011, 25-08-2011, 11-10-2011, 30-10-2011, 30-11-2011, 03-01-2012, 31.01.2012 and 13-02-2012

3. Code of Conduct

The Board of Directors has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company which is widely circulated amongst members of the Board and Senior Management Personnel. The members of the board and Senior Management Personnel have affirmed compliance to the said code of conduct.

4. Audit Committee

The Audit Committee of the Board of Directors has been constituted in conformity with the requirements of Section 292A of the Companies Act, 1956 and clause 49 of the Listing Agreement.

The Audit Committee, inter alia, reviews :

- Quarterly, half yearly and yearly financial reports
- Significant related party transactions
- Audit reports including Internal Audit Reports
- Recommendation for appointment of statutory auditors
- Management discussion and analysis of financial conditions and results of operations

Mr. Anshu Gupta – Non Executive Director was the Chairman of the Audit Committee. During the period, the committee has met 5 (five) times i.e.

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28-04-2011, 30-07-2011, 22-08-2011, 29-10-2011, and 29-01-2012 respectively. All the members of the Audit committee were present in all the meetings held during the year.

Composition of the Audit Committee	No. of meetings attended
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i) Mr. Anshu Gupta	5
ii) Mr. Satish Gupta	5
iii) Mr. Sunil Gupta	5

6. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT

(i) Industry Structure and Developments

Growth of coated papers segment is inextricably linked to structural economic factors like improvements in literacy rates, higher spending on education and growth of print and the media industry.

Given its low per capita paper consumption base of 5 kgs compared to the world average of 54 Kgs, demand for all grades of papers and boards in the country has got to increase at a healthy rate. Coated papers and boards segment has been witnessing higher rate of growth, in particular.

Apart from a few large paper mills, sizeable portion of the demand for Coated papers and boards is catered to by medium/small sized manufacturers.

(ii) Opportunities and Threats

With changes in copier and printer technology, there is greater consumer sensitivity to the quality of branded papers.

The problem of low priced Coated papers dumped into India by some vested interests is continuing unabated. Such clandestine imports are posing severe threats to the indigenous industry. The company is making all efforts to regain its market share and all efforts are being made to cut cost and make operations profitable.

(iii) Segment-wise or Product-wise Performance.

The company is primarily engaged in the manufacture of one-side and two-sides Coated papers and Boards.

(iv) Outlook

On the back of 8.5% growth in Indian economy in 2008-09 and 9% in 2009-10, there are all the indications of the present trend continuing in the foreseeable future. The company, therefore, has every reason to hope for bright future.

(v) Risks and Concerns

There is no perceptible risk the company can think of at the moment. It is, however, a matter of concern that prices of all the critical inputs are continuing to rise steeply thereby affecting the profitability of paper industry.

(vi) Internal control systems and adequacy

The company follows sound and healthy business practices in all facets of its operations and conducts its business in a transparent manner.

(vii) Discussion on financial performance with respect to operational performance.

There has been drop in the production and sales during the period under review and the main causatory factor has been suspension of the company's operations for a couple of days wing to poor sale and non-availability of labor and dumping of imported paper and high input cost. The company, therefore, failed to maintain regular and economical level of production which ipso facto resulted into low turnover and consequential losses.

The company is making every possible effort to achieve and maintain economical level of production.

(viii) Material developments in human resources/ industrial relations front including number of people employed.

During the financial year under review, it would be observed that no major additions are being done to avoid overstaffing. Exgratia, etc. is being provided to workers for motivation and promoting higher efficiency at lower levels.

7. Remuneration Committee

Since the company has not been paying any managerial remuneration to any managerial

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person, as such, no "Remuneration Committee" has been constituted.

8. Shareholders'/Investors' Grievance Committee

Mr. Anshu Gupta – Non Executive Director is the Chairman of the Shareholders'/Investors Grievance Committee.

During the period, the Committee held 4 (four) meetings i.e. on 28-04-2011, 30-07-2011, 29-10-2011 and 29-01-2012 respectively.

The composition of the Shareholders'/Investors Grievance Committee and the attendance of each member during the year is detailed below :

Name of the Director	Executive/ Non-Executive	No.of meetings attended
Mr. Anshu Gupta	Independent	4
Mr. Satish Gupta	Independent	4

The total number of letter/complaints received were nil during the year. No letter/complaint as on 31.03.2011 was pending.

9. General Body Meeting

Location and Time for last 3 Annual General Meeting were:

Year/ Period	A.G.M.	Location	Date	Time
2008-09	A.G.M.	AG-23, Shalimar Bagh New Delhi	30.09.09	2.00 p.m.
2009-10	A.G.M.	AG-23, Shalimar Bagh New Delhi	30.09.10	2.00 p.m.
2010-11	A.G.M.	AG-23, Shalimar Bagh New Delhi	30.09.11	2.00 p.m.

For the above years, there have been no resolution passed by the Company's shareholders through postal ballot. At the ensuing Annual General

Meeting, there is no resolution proposed to be passed through postal ballot.

10. (a) Disclosures on materially significant related party transaction i.e., transaction of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large.

Suitable disclosure as required by Accounting standard (AS-18) - Related Party Disclosures has been made in the Annual Report.

- (b) No penalties have been imposed by the Stock Exchange(s), SEBI or any authority under the capital market regulations during the last three years.

11. Means of Communication

Quarterly results : The quarterly results are normally published in 'Money Maker', Mahalaxmi. The annual audited accounts are also like-wise published. The half yearly report is not sent separately to each household of the shareholders. The half yearly results alongwith corresponding that year results are published in the newspaper. Annual reports are sent to each shareholder at their address registered with the Company.

Company's website:

The Company has not created any website. Any information, grievance etc. can be sent at company's email pitambercoated@gmail.com.

12. General Shareholder Information

AGM

Date and Time : 29th September 2012 at 2.00 p.m

Venue : AG-23, Shalimar Bagh, New Delhi

Book Closure Date : 28-09-2012 to 29-09-2012 (both days inclusive)

Dividend : Not applicable (as not recommended by Board of Directors)