

P.M.STRIPS LIMITED

19 TH

Annual Report

2003-2004



**P.M.STRIPS LIMITED,
REGD.OFF: 7TH FLOOR, SURYA TOWERS,
S.P.ROAD, SECUNDERABAD-500003.**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Nineteenth Annual General Meeting of the shareholder of M/s.P.M.STRIPS Limited, will be held on Monday, the 20th day of December⁰⁴ at 4.30 P.M at 7th Floor, Surya Towers, S.P.Road, Secunderabad-500003 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance sheet as at 31st March, 2004 and profit & Loss Account for the period ended 31st March, 2004 along with Auditors' Report and Directors' Report thereon.
2. To appoint a Director in place of Shri Ravi Surana, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

RESOLVED THAT M/s.G.Ramamohan & Co. Chartered Accountants, Hyderabad be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the company till the conclusion of next Annual General Meeting of the company on such remuneration including out of pocket expenses as may be approved by the board of directors of the company in place of M/S.Sekhar & Co., Chartered Accountants , who expressed their desire to relinquish the office of the Auditors of the Company, due to their commitments.

BY ORDER OF THE BOARD,
FOR P.M.STRIPS LIMITED



(RAVI SURANA)
DIRECTOR

Date: 24th NOVEMBER, 2004
Place: SECUNDERABAD

NOTES :

1. Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The proxies to be effective, it shall be lodged to the registered office of the company at least 48 hours before the meeting.

The Register of Members and the share Transfer books of the company will remain closed from 17th December to 20th December both days inclusive).


2. The members are requested to bring the Annual Report along with them to the Annual General Meeting.

3. Members are also requested to send their queries, on the adoption of accounts well in advance so as to enable the company to place relevant records and information at the time of Annual General Meeting.

4. Members are requested to intimate the change of address, if any, to the Registered Office of the Company.

5. The equity shares of the company are listed on The Hyderabad Stock Exchange Limited, 6-3-654, Somajiguda, Hyderabad-500082 and The Mumbai Stock Exchange, Phirozee Jeejeeboy Towers, Dalal Street, Mumbai-400 001.

BY ORDER OF THE BOARD,
FOR P.M. STRIPS LIMITED


(RAVI SURANA)
DIRECTOR

Date: 24th NOVEMBER, 2004
Place: SECUNDERABAD

G. RAMA MOHAN & CO.,
CHARTERED ACCOUNTANTS

Phone : (O) 23702857
(R) 23512539

7/A, 1st Floor,
Vengal Rao Nagar,
Hyderabad-500 038.

AUDITOR'S REPORT

To

The Members
M/S. P.M.Strips Limited

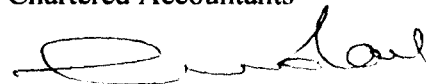
1. We have audited the attached balance sheet of M/S. P.M.Strips Ltd as at 31st March, 2004 and also the profit and loss Account and the Cash Flow statement of the Company for the year ended on that date, which we have signed under reference to this report. These financial statements are the responsibility of the company's Management. Our responsibility is to express an opinion on the financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. These 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.
3. As required by the Companies (Auditor's Report) Order 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (herein after called the Act) and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, We set out in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. We invite your attention to
 - i) *We invite your attention to Clause 13 of Schedule 18 wherein company has stated that no reply has been received from Debtors, Creditors and loans and Advances for the confirmation letters from parties or reconciliation of accounts. We are not in a position to determine the effect if any on the financial Results of the Company and the Company has not made any provision for doubtful recoveries in the accounts.*
 - ii) *The amounts payable / receivable from Group companies have been regrouped under Debtors / Creditors / Loans and Advances in the current Year with corresponding regrouping of the previous year as explained in clause 13 to Schedule 18.*

iii) The preparation of accounts on going concern concept is subject to availability of funds from financial institutions.

5. Subject to our qualifications mentioned in the report annexed hereto as mentioned in paragraph 3 & 4 above:

- a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of accounts as required bylaw have been kept by the company as far as it appears from our examination of the books:
- c. The Balance Sheet and profit and loss Account and the cash flow statement dealt with by this report are in agreement with the records and documents produced before us for the purposes of audit.
- d. In our opinion the Balance sheet, Profit and Loss Account and the Cash Flow statement dealt with by this report comply subject to our qualifications mentioned above in Para 4 and in the report annexed hereto comply Accounting Standards referred in (3C) of Section 211 of the "Act".
- e. On the basis of written representations received from the Directors, as on 31st March 2004, and taken on record by the Board of Directors, We report that none of the Directors are disqualified as on 31st March 2004 from being appointed as a Directors in terms of Clause (g) of Subsection 91 of Section 274 of the "Act".
- f. In our opinion, and in view of the qualification given above and the reported annexed to this report, the said accounts 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 principles generally accepted in India:
 - i) In the Case of Balance Sheet, of the State of Affairs of the Company as at 31st March,2004 and
 - ii) In the case of the profit and loss Account, of the Profit of the Company for the Year ended on that date.
 - iii) In case of Cash Flow statement , of the cash flows for the year ended on that date.

For G.Ramamohan & Co
Chartered Accountants



(G.RAMA MOHANA RAO)

M.NO. 13959

Place : Secunderabad
Date : 02-11-2004



ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in paragraph 3 of the report of the Auditors to the Members of M/s. P.M.Strips Ltd For the year ended March 31, 2004.

- (i) The nature of the Company's business activities during the year are such that clauses clause (xiii) with respect to provisions of any special statue, (xiv) with respect to Companies dealing in securities (xix) with respect to creation of securities in case the company has raised money by way of issue of debentures ana (xx) company rasing money by way of public issue are not applicable to the company.
- (ii) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets . However, it needs to be substantially updated.
- (b) The Fixed Assets of the Company have been physically verified by the management during the by the Management and no material discrepancies between the records and physical inventory have been noticed.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the Fixed Assets has not been disposed off by the company during the year.
- (iii) (a) .The Inventory of the company has been physically verified by the management during the year and the company has obtained confirmations from third parties the stock held by them.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management needs further improvement commensurate to the size of the company and nature of its business.
- (c) On the basis of our examination of records, in our opinion, the company has maintained adequate records of inventories and no material discrepancies were noticed on physical verification, which was done by the management.
- (iv) In opinion and according to the information and explanations given to us, the internal control procedures need to be strengthened commensurate to the nature and size of its business, for the purchase of inventory, fixed assets and for the sale of goods. This failure has been continuing since our previous report.
- (v) (a) On the basis of information and explanation given to us, the company has given and taken interest free loans to Companies, firms and other parties covered