

NEPA LTD

नेपा लिमिटेड

(A Govt. of India Undertaking)

74th

ANNUAL REPORT



Year
2020-21



NEPA LIMITED

BOARD OF DIRECTORS



Cmde Saurav Deb
CMD



Shri P.K. Naik
Director (Finance)



Smt. Nidhi Chhibber
Director



Smt. Padampriya Balakrishnan
Director



Smt. Kamlawati Singh
Independent Director



Smt. Kalpana Shrivastav
Independent Director



Ku. Purnima Parashar
Company Secretary



FROM THE CHAIRMAN

I on my behalf and on behalf of Board of Directors, extend a hearty welcome to all of you to the 74th Annual General Meeting of the Company.

The Director's Report on the working of the Company, Financial Statement for the year 2020-21, Statutory Auditor's Report and C&AG comments are already before you and with your permission, I presume these having been read.

Impact of Covid-19

The outbreak of Corona Virus (Covid-19) as a pandemic caused significant disturbance and slowdown in economic activities globally. The Company's operations were impacted due to state wise lockdown announced by Government of India. The Company has considered such impact to the extent known and available in assessing the carrying amounts of Company's assets, investments, trade receivables and inventories. The impact of the global healthy pandemic may be different from that estimated as at the date of approval of these financial statements. Further the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

Highlights of the Operations

During the year the resources and personnel of the company remained engaged with activities related to RMDP.

The plant was handed over to the contractors with effect from 25th July 2016 for modernization work. As such the production was Nil for the year under consideration and the sale was also Nil.

The company has requested DHI to keep our company out of the MoU (Memorandum of Understanding) mechanism for the financial year 2020-21 on account of the factory being under modernization. Same is under consideration by DHI.

Revival & Mill Development Plan (RMDP):

A revised support package for your company was sanctioned by the GoI on 3rd October, 2018 with a total value of Rs. 469.41 Cr. that include Rs. 277 Cr towards revised cost of RMDP, Rs, 101.58 Cr. towards salary support and statutory dues and Rs. 90.83 Cr. towards Voluntary retirement of 400 employees.

The RMDP has since been reactivated and significant progress has been achieved in the ongoing modernization project of the mill. Out of the major components, De-inking plant, both the paper machines and power plant erection is in progress Work for new effluent treatment plant has commenced. This would ensure meeting of higher environmental standards promulgated by pollution control board including zero liquid discharge. Real time online monitoring system for boiler emission is being installed and chimney height is being doubled that would ensure that Neapanagar environment remains protected.

The progress of RMDP is being monitored by regular visits of a technical committee appointed by DHI and high level monitoring committee under the Chairmanship of Additional Secretary and Financial Advisor of the Dept of Heavy Industries.

On completion of the RMDP, company will be able to manufacture 100000 TPA of Newsprint of higher brightness and also the Writing & Printing Paper and expects to become self sustaining. Management of



your company is making all efforts to complete RMDP in time as per the targets specified in the cabinet note and to commence production at the earliest.

Corporate Governance:

Your Company is ensuring compliance with the guidelines of Corporate Governance as applicable to the Company.

Social Responsibility

Your Company is committed to maintain highest standard of safety and social responsibility in its business activities. To cater to important needs of the society and to *contribute to the development of the Community*, we endeavor to make a positive contribution to the Communities in the nearby areas in every possible way.

Before I conclude, I would like to express my gratitude to the shareholders, who have remained with the company during over 3 decades of loss making operations. I am also thankful for the support and co-operation received from the Government of India, Government of MP, Office of Comptroller and Auditor General of India, Statutory Auditors, Cost Auditors, Consortium of Banks, District Administration, Customers, Suppliers and all the national and international companies that are participating in ongoing modernization project of your company.

I wish to place on record my thanks and appreciation for the dedicated hard work put in by all our employees in whatever positions they are engaged, in keeping the Company operative and progressing our project work despite various constraints.

I am confident that, with the continued support and co-operation from all of you, in the near future, the Company will overcome the present difficulties and regain its pride and self sustaining status.

Best Regards,

Cmde Saurav Deb
Chairman-cum-Managing Director



BRIEF PROFILE OF THE COMPANY

Nepa limited is a pioneer Newsprint Company of India centrally situated at Neapanagar, District Burhanpur in MadhyaPradesh. Its administrative as well as registered office is situated at Neapanagar (M.P). The Company was incorporated on 25th January 1947, originally under the name“ The National Newsprint & Paper Mills Ltd” for production of News print and it was the only news print manufacturing unit in India up to 1981. The Management of Company was taken over in October 1949, by the State Government of Central Province and Barar (At Present, Madhya Pradesh), Government of India took over controlling interest in 1958. The name of the Company was changed to NEPA LIMITED from the National Newsprint & Paper Mills Ltd . on 21st February, 1989.

The company is currently undergoing are vival and modernization plan that would enhance the production capacity three folds and will result in a diversified product portfolio including high brightness newsprint and writing paper.

Nepa team is striving for a Clean, Green, Beautiful and Prosperous Nepa

**CORPORATE INFORMATION****BOARD OF DIRECTORS****Shri Cmde Saurav Deb**

Chairman cum Managing Director

Smt. Nidhi Chhibber

Shri Padmapriya Balakrishnan

Smt. Kalpana Shrivastava

Smt. Kamlawati Singh

Shri P.K. Naik

Key. Executives		Offices
At Registered Office:	At Regional Office:	Registered Office:
<p>Ku. Purnima Parashar Company Secretary E. mail: secretary@nepamills.nic.in. Ph : 07325-222167</p> <p>Shri. R. Alagesan G.M. (Works & Project) E. mail : gmpw@nepamills.nic.in Ph: 07325-222273</p> <p>Shri V.N. Barole M(F&A) Email:mfin@nepamills.nic.in Ph:07325-222258</p> <p>Shri.Arun Mishra D.G.M. (Admin) E.mail:commercial@nepamills.nic.in Ph: 07325-222242</p> <p>Shri. Ajay Goel D.G.M. (Work) E-mail:mechanical@nepamills.nic.in</p>	<p><u>Delhi Office:</u></p> <p>Shri GyaneshwarKhairnar Manager (P & A) E.mail: nepadelhi@nepamills.nic.in Ph:011-24615894</p> <p><u>Hempur Office:</u></p> <p>Shri GyaneshwarKhairnar Manager (P &A) E.mail:nepahempur@nepamills.nic.in Ph: 05947-211460</p>	<p>Nepanagar, Dist. Burhanpur, Madhya Pradesh. - 450221</p> <p><i>Regional Offices:</i> Delhi Office:</p> <p>D-165, Defence Colony, New Delhi-110024</p> <p><i>Hempur Office:</i> Captive Plantation, P.O RTC, Hempur, Dist. Udham Singh Nagar, Uttarakhand-244716</p>
	Statutory Auditors	Bankers
	M/s Fadnis & Gupte Chartered Accountants, Indore	State Bank of India
	Secretarial Auditors	
	IG & Associates Company Secretaries, Indore	Bank of India



NEPA LIMITED

To,
The Members,
Nepa Limited

NOTICE is hereby given that the 74th Annual General Meeting of the members of Nepa Limited will be held on Thursday, 30th day of December, 2021 at 4.00 PM at registered office, Neapanagar, Dist: Burhanpur, Madhya Pradesh – 450221, by online mode to transact the following business:

AS ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statement for the year ended 31st March, 2021, the Balance Sheet, profit & Loss Account and Cash flow as on that date and the reports of Directors and Statutory Auditors, thereon.
2. To appoint a director in place of Smt. Nidhi Chhibber, who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if though fit, to pass with or without modification(s), the following resolution as on Ordinary Resolution:

“RESOLVED THAT, consent of the Company, be and is hereby accorded, for payment of remuneration of Rs. 1,75,000/- (Rupees One Lac Seventy Five Thousand, plus Service Tax) to M/s Fadnis & Gupte, Indore, Statutory Auditors, besides reimbursement of traveling and out of pocket expenses limited to 75000/-, subject to other terms and condition laid down by the Office of the Comptroller and Auditor General of India in their letter No. CA. V/COY/CENTRAL GOVERNMENT, NEPA(1)/292 DATED 18.08.2021 for the F.Y. 2021-22.

AS SPECIAL BUSINESS

4. To consider and if though fit, to pass with or without modification(s), the following resolution as on Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending on 31st March, 2022 as set out in the statement annexed to the Notice convening this Meeting, be and is hereby ratified by the shareholders of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board of Directors

Purnima Parashar
Company Secretary
M.No. A36079

Date: 09/12/2021
Place: New Delhi



IMPORTANT NOTES:

1. Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed.
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, General Circular no. 02/2021 dated 13.01.2021 physical attendance of the Members to the EGM/AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
3. The Register of members of the Company will remain closed from 24th December, 2021 to 29th December, 2021 (both date inclusive).
4. Since this AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), Members will not be able to appoint proxies for this meeting. Further, Attendance Slip and Route Map are not being annexed to this Notice.
5. Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorizing their representatives to attend the AGM, pursuant to Section 113 of the Act, through e-mail at secretary@nepamills.nic.in
6. In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote e-voting (facility to cast vote prior to the AGM) and also e-voting during the AGM, for which purpose the Board of Directors of the Company ('the Board') have engaged the services of NSDL. The Board has appointed Mr Dinesh Kumar Gupta, (Practicing Company Secretary) firm Indore, as the Scrutinizer for this purpose.
7. Remote e-voting will commence at 9.00 a.m. on 27th December, 2021 and will end at 5.00 p.m. on 29th December, 2021, when remote e-voting will be blocked by NSDL.
8. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on 24th December, 2021 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company maintained by the Company as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting during the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, followed by Circular No. 20/2020 dated May 05, 2020, General Circular no. 02/2021 dated 13.01.2021 the Notice calling the AGM has been uploaded on the website of the Company at www.nepamills.nic.in. The AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
10. In conformity with the applicable regulatory requirements, the Notice of this AGM and the Report and Accounts 2021 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Registrar and transfer agent of company (RTA) PurvaSharegistry (India) Pvt Ltd. Members who have not registered their e-mail addresses with the Company or with the RTA and wish to receive the aforesaid documents are required to register their e-mail addresses may send an e-mail to secretary@nepamills.nic.in or write to Registrar and transfer agent of company at their email address. support@purvashare.com
11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

**VOTING THROUGH ELECTRONIC MEANS**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically.

Your User ID details are given below :

Manner of holding shares For Members holding shares in Physical Form	Your User ID is: EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
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5. Your password details are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (d) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - (e) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - (f) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - (g) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.



(h) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.

(i) Now, you will have to click on “Login” button.

(j) After you click on the “Login” button, Home page of e-Voting will open.

7. Cast your vote electronically on NSDL e-Voting system :

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in
3. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice.
4. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to (secretary@nepamills.nic.in).

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.



2. Only those Members/ shareholders, who will be present in the AGM through/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at secretary@nepamills.nic.in.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name folio number, email id, mobile number at secretary@nepamills.nic.in. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. If you have any queries or issues regarding attending AGM through the link, you may contact Mr. Manish Shah on 9324659811 or write an email to support@purvashare.com.

Other Instruction

9. In terms of provisions of Section 107 of the Companies Act, 2013 since the Company is providing the facility of e-voting to the shareholders, there shall be no voting by show of hands at the Annual General Meeting.
10. The shareholders can opt for only one mode of voting i.e. remote e-voting or e-voting at the meeting. In



case of voting by both the modes, vote cast through remote e-voting will be considered final.

11. The voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to their shares of the paid up equity share capital of the Company as on 24th December, 2021.
12. The result on resolutions shall be declared on or before the closing business hours on 2nd January, 2022 and will be available on the website of the Company. The resolutions will be deemed to be passed on the date of Annual General Meeting subject to receipt of the requisite number of votes in favour of the resolutions.
13. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
14. The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutiner, by use of Polling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the Annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated scrutiner's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
16. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.nepamills.nic.in immediately after the declaration of result by the Chairman or a person authorized by him in writing.



EXPLANATORY STATEMENT

(Pursuant to section 102 (1) of the Companies Act, 2013 in respect of item no. 4 contained in the Notice of meeting)

Item No. 4

Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 requires remuneration of the cost auditors as approved by the Board to be ratified by shareholders subsequently.

Based on the recommendation of the Audit Committee, the Board of Directors in its meeting held on December 9, 2021 has approved the names of Chatterjee Gazi & Associates, Kolkata Firms for appointment for a total remuneration of Rs. 37000/- inclusive of all taxes, duties & all other expenses.

Accordingly, Members are requested to ratify the remuneration payable to the Cost Auditors for the Financial Year ending on 31st March, 2022.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions.

The Board of Directors commends the resolution for approval of the Shareholders.

By Order of the Board of Directors

Purnima Parashar
Company Secretary
M.No. A36079

Date: 09.12.2021

Place: New Delhi

**NEPA LIMITED****FIVE YEAR DIGEST**

Rs. In Lakh

	2020-21	2019-20	2018-2019	2017-18	2016-17
Production	0.00	0.00	0.00	0.00	4482.00
Revenue from Operation	1736.63	1243.32	1187.67	1024.70	3031.36
Profit before interest & Depreciation	(1604.00)	(4135.75)	(4625.16)	5779.80	(4592.56)
Interest	3703.08	2894.15	3131.49	2664.46	2555.79
Cash Surplus / Deficit	(5307.09)	(7031.90)	(7756.65)	3115.34	(7148.35)
Depreciation	83.08	93.86	100.34	107.01	91.63
Net Profit / Loss before prior period items	(5390.17)	(7125.76)	(7856.99)	3008.33	(7239.38)
Equity Share Capital	53937.78	29537.78	52471.25	52471.25	52471.25
Loan (Excl. Interest)					
Long Term	10157.00	4169.60	687.20	1729.00	3452.20
Short Term	400.40	3427.54	2468.91	3498.72	6195.89
Net Fixed Assets (Excl. Capital Work-in-Progress)	1499.31	1575.41	1723.21	1832.29	2012.95
Current Assets	25206.43	26783.04	14714.34	14766.60	12492.60
Current Liabilities (Incl. unpaid interest on Loans)	36196.41	41029.11	34227.97	29503.00	27107.37
Working Capital	(10989.98)	(14246.07)	(19513.63)	(14736.40)	(14614.77)
Capital Employed	(9490.67)	(12670.66)	(17790.42)	(12903.90)	(12601.57)
Net Worth (Incl. Share application money pending for allotment)	10120.50	(11889.28)	(9707.97)	(1929.12)	(4941.53)
Number of Employees	300.00	338.00	370.00	705.00	754.00

**EMPLOYMENT COST SUMMARY****Rs. In Lakh**

Sr. No.	Particulars	2021-22	2019-20	2018-2019	2017-18	2016-17
A)	SALARY & WAGES					
	TOTAL (A)	1557.19	1529.99	2784.71	2943.15	2838.92
B)	EMPLOYEES BENEFITS :					
	Provident Fund & Others	192.88	199.43	304.67	315.89	346.79
	Gratuity	707.98	614.16	591.19	513.84	189.43
	Township	96.34	114.76	178.2	145.2	141.75
	Education	0	0	0	0	0
	Medical	93.52	81.09	127.75	92.88	107.20
	Other Benefits incl. Leave Travel concession, cultural activities	48.11	51.76	55.96	55.30	48.74
	TOTAL (B)	1138.83	1061.2	1257.77	1123.11	833.91
C)	Payment of Employees under VRS and previous year exp. not shown in earlier year :					
	Voluntary Retirement Schemes (VRS)	0	2658.31	896.31	0	482.22
	Gratuity	0	0.49	125.13	0	14.40
	Leave Encashment	0	115.04	466.05	0	25.81
	TOTAL (C)	0	2773.84	1487.49	0	522.43
	TOTAL (A+B+C)	2696.02	5365.03	5529.97	4066.26	4195.26
	Number of Employees	300	338	370	705	754
	Average Salaries, Wages etc., per employees per Annum (In Rs.)	519063	452660	752627	417468	376515
	Average Cost of employees benefit per employees per Annum (In Rs.)	379610	313964	3399	159306	110598
	Average Employment Cost per employee per Annum (In Rs.)	898673	766624	1495	576774	487113

**DIRECTORS' REPORT TO THE SHAREHOLDERS**

To,
The Shareholders,
Nepa Limited

Ladies & Gentlemen,

Directors of your company have pleasure in presenting the 74th Annual Report of the company for the Financial Year ended 31st March 2021 along-with the Audited financial statement, Auditors' Report and Report on the accounts by the Comptroller and Auditor General of India.

1. Financial Performance and the state of the Company's Affairs

During the whole financial year, both machines remained handed over to our vendors for RMDP. The highlights of financial performance of your Company during the Financial Year 2020-21 together with corresponding figures for the Previous Year are given below:

PARTICULARS	2020-2021	2019-2020
INCOME		
Sales of Newsprint		-
Sales of Petrol/Diesel/Lubricant	1105.24	1105.55
Other Operating Income	631.39	186.20
Total Income	1736.63	1291.74
EXPENDITURE		
Raw Materials	-	-
Manufacturing Expenses	320.61	342.95
Purchase of Petrol/Diesel/Lubricant	1076.97	1062.39
Change in inventories of Finished Goods / Stock	35.42	92.32
Employee Remuneration & Benefits	2744.51	5131.90
Expenses on Administration, Township, Social Overheads and Selling & Distribution Expenses	458.55	576.47
Total Expenditure	8426.79	10194.04
Operating Profit/(Loss)	(6690.16)	(8902.30)
Interest Income / (Expenses) – Net	(2948.87)	(2360.99)
Less: Depreciation	(83.08)	(93.87)
Add: Other Income	541.22	1220.75
Profit / (Loss) after Depreciation & Interest	(5390.17)	(7215.76)
Prior Period Adjustments	-	-
Net Profit / (Loss)	(5390.17)	(7125.76)
Accumulated Profit / (Loss)	(54471.77)	(49081.60)

**2. Production & Sale**

During the year 2020-21 no production activities were carried out, as both the Paper machines are under Revival and Mill Development Plan (RMDP) work since 26.07.2016. Total sales during the year was Nil (For no stock in hand)

3. Operation

As During the year (2020-21), entire plant was shut for implementing RMDP work. Hence no Production has been carried out in the financial year.

On 03.10.2018 the cabinet committee on economic affairs (CCEA) had sanctioned the additional funds for RMDP work. RMDP Project work got hampered due to Covid Situation. RMDP expected to be completed in 3rd quarter of FY 2021-22.

4. Change In The Nature Of The Business, If Any:

During the year, Company has not changed its nature of business.

5. Transfer of Reserve

During the year, Company has not transferred any amount to any reserve.

6. Dividend:

Due to losses, Your Directors do not recommend any dividend for the year ended 31st March 2021 under review.

7. Vision and Mission**Vision**

To be a major contributor and leader in the Indian Paper Industry and make company viable and self-sustainable.

Mission

To meet customer requirement through best quality products, innovation and integration.

8. Revival & Mill Development Plan (RMDP)

Company was referred to BIFR in 1998. However, the revival plan of the company was approved by GoI in September 2012 only. BIFR sanctioned the revival scheme of the company in March 2014. The Revival Plan envisaged capital investment of Rs.285 crores for installing a new 300 TPD De-inking Plant, Refurbishment of both Paper Machines, Renovation of 12.27 MW Captive Power Plant and renovation of existing 132 kv Substation.

Govt sanction, BIFR approval and environmental clearance took almost 6 years after cost estimation as a part of original TEFR in 2010. The project cost which was approved at Rs. 285 crore has got escalated to Rs. 434 crore (net of EPCG benefits). This increase was mainly on account of delays, growth of work and as per actual price discovery based on open tendering.

Therefore, a plea for an additional budget of Rs.149 crores on account of cost escalation and Rs.128 Cr in lieu of loan from financial institutions was submitted through the Cabinet Note to GoI in December, 2017. The cabinet Note was sanctioned by the GoI on 3rd October, 2018 with a total support package of Rs. 469.41 Cr. that include Rs. 277 Cr towards revised cost of RMDP, Rs. 101.58 Cr. towards salary support and statutory dues and Rs. 90.83 Cr. towards Voluntary retirement of 400 employees.

In order to monitor the RMDP work, DHI has constituted a high Level RMDP monitoring committee headed by AS&FA from DHI. A technical Committee comprising members from Central Paper & Pulp Research Institute (CPPRI), Saharanpur, M/s BHEL, Bhopal and M/s Bridge & Roofs (B&R), Kolkata has been constituted to regularly visit and monitor the project progress on site and report to the Govt.

As per current estimates the RMDP is expected to complete by early 2021. On completion of the RMDP, company will be able to manufacture 100000 TPA of Newsprint of higher brightness and also the Writing & Printing Paper and expects to become self sustaining.

9. Environment Management and Pollution Control

Eco friendly recycled based technology has been adopted by the company earlier for manufacturing the newsprint and



writing printing paper by using waste paper as raw material. The process is environment friendly and pollution free. Under RMDP following measures were taken for abatement of pollution:

- ❖ Most modern solid waste handling system (Sludge handling system) is added to recover the fibre as well as the E.T. Plant augmentation for waste water treatment plant to meet zero Liquid discharge. Erection activities are near to completion.
- ❖ As per pollution control board compliance condition Real time Continuous Effluent monitoring system (CEMS) to monitor effluent parameters of E.T. Plant, already procured and will be installed soon at ET Plant.
- ❖ For control of air pollution in Power house new four field Electro static precipitator (ESP) have been installed. In power Plant bag filter system have been installed in ash Silo to trap fugitive emissions near coal & Ash handling systems. For curbing sulphur content in flue gases, lime feeding system and erection of new chimney of 80 Mtrs. height is in progress.
- ❖ To monitor the air pollution of Power Plant, Real time Continuous stack Emission Monitoring System (CSEMS) and Real time Continuous Ambient Air Quality Monitoring System (CAAQMS) with weather station are already procured and will be installed soon after completion of chimney, as per pollution control board norms.
- ❖ Hazardous waste, disposal i.e. used oil is being disposed through MoEF certified oil re-processor unit and waste resin is disposed to MP Waste Management Project Pithampur M.P., (as per guideline of Pollution Control Board).
- ❖ Extensive tree plantation is carried out in and around township during Environment day to maintain clean, green and healthy environment.

10. Research & Development and Quality & Technology

Since the most of lab equipments for pulp & paper testing have become obsolete therefore, for post RMDP scenario restoration and procurement of new equipments for our Quality control lab and Research & Development (R&D) section is under progress.

Earlier our Quality Control team had played crucial role in testing of raw materials, chemicals and other incoming entities.

Post RMDP Nepa Ltd. will produce Newsprint & writing & printing paper of higher brightness using recycled fibre of various origins viz. Indigenous & Imported one. This new technology is eco friendly and will utilize De-inking plant to get the better quality pulp of high brightness.

In addition to this many other testings like Water & chemicals testing etc. will also be carried out for power house, process use as well as for domestic use, at Nepa Mill Laboratory to ensure the quality of treated drinking water supplied to Neapanagar township, after treatment in Nawtha Treatment Plant. The samples are taken periodically for testing to decide the dosing of chemicals for water treatment.

Our Research & development (R&D) Centre is equipped with modern facilities. NEPA R&D centre is registered with Department of Scientific and Industrial Research (DSIR) Ministry of Science and Technology, Government of India. Experiments and trials in R&D centre have given Nepa Ltd. a new vision. Looking to the ongoing RMDP work, product diversification and change in manufacturing process to produce good quality Writing & Printing and Improved Newsprints grades. The company is procuring modern equipments with technological advancement, will reach soon to NEPA.

In addition to this Scientist & skilled man power will also be recruited in the coming days to produce market oriented paper.

11. Human Resources Development

Company has given great importance to Human Resource Development by imparting need based training. This develops the key competencies of the employees to enable them perform in a better & efficient way and manage change.

Company has conducted 11 in-house training programmes on Computer Training, Skill Development, Motivation, Official Language, Business Communication, Workers Participation in Management, Team Building and Project Management, in which 150 employees participated. Company is also marching ahead with "Swachh Bharat



Abhiyan”.

In addition to above, in order to strengthen preparedness and response to combat the outbreak of coronavirus disease, the Company has conducted a workshop on COVID-19, in which all the precautions has been suggested as directed by Central Government and State Government from time to time to prepare our workforce to effectively tackle the threat of COVID-19.

The growth and advancement needs of the employees for the fulfillment of the organization's objectives have been factored into the HRM policies of the Company. In the post RMDP scenario all non core activities would be outsourced in accordance with the cabinet approval and the national productivity council report of July 2016. This would enable company to gain a competitive edge, reduce human resource cost and become self sustaining.

Company's staff strength as on 31.03.2021 was 300 (comprising of 102 Executives, 137 Non-executives & 61 Temporary Employees).

12. Industrial Relations and Employee Welfare Measures

In continuation to earlier years, Company has been able to maintain harmonious Industrial Relations. The participative work culture in the Company through constant interactions with Trade Unions and their representatives has enhanced the healthy Industrial Relations and as a result, no man-days lost on account of strike/lock-out during the year.

Various welfare measures offered to the employees and their dependants were continued during the year.

13. Employees Participation in Management

Various Shop-floor and Staff Welfare Committees have been constituted to improve Labour Relations and operational efficiency of the departments. Adequate representation has been given to recognized Unions' Representatives on various committees to help achieve positive growth in building company's working and social environment and better understanding. Also more emphasis is given to Health and Safety of the employees.

14. Particulars of Employees

Pursuant to Section 134(3) of the Companies Act, 2013 read with Companies (Particulars of Employees) Amendment Rules, 2011, there was no employee for the whole or part of the year, who received an aggregate remuneration of Rs.60 Lacs per annum or Rs.5 Lacs per month.

15. Position of employment of members of SC/ST/OBC etc.

The position of Employment of the members of Scheduled Caste (SC)/Scheduled Tribes (ST)/OBC/Ex-servicemen and Persons with Disabilities (PwD) as on March 31, 2021 is shown in Annexure-I attached.

16. Position of women employees

The particulars of women employees in the Company as on March 31, 2021 are given in Annexure-II attached.

17. Promotion of use of Official Language

During the year under review, company continued to make best efforts to ensure implementation of the provisions of the Official Language Act, 1963 and rules made there under. Documents are being issued either in Rajbhasha Hindi or bilinguals in accordance with the provisions of section 3 (3) of the said Act.

As part of this, intensive training programmes, Official Language Month and Periodical Workshop including High Level OL Workshop and Hindi Computer Training Programmes for the Employees/Officers of all categories were arranged. A number of competitions in Hindi were conducted and the winners were suitably awarded. The company celebrated “Hindi Week” from 14.09.2020 to 21.09.2020.

Half yearly meetings of Nagar Rajbhasha Karyanvayan Samiti were regularly convened by ensuring participation from all Government Departments, Schools & Banks for promoting the use of Hindi.

Company's Website is already functioning in bilingual form i.e. Hindi and English. Multiuser software Mangal & Kriti Dev Unicode is being used in different departments. The Company has made best efforts for proper and effective implementation of Annual Programme of the Department of Official Language, Ministry of Home Affairs,



Government of India. Company's e-magazine "Nepa Sandesh" was regularly published on its website.

18. Policy for Prevention of Sexual Harassment

The Company has in place a Prevention of Sexual Harassment Policy in line with the requirements of Prevention, Prohibition & Redressal Act, 2013. An internal complaints committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary & trainees) are covered under this policy.

19. Corporate Social Responsibility

Under the provisions of section 135 of the Companies Act, 2013, a Company is required to spend on CSR activities, an amount equivalent to at least 2% of the average net profits of the Company made during the three immediately preceding financial years. Since the Company has incurred losses during preceding financial years. The Company is not required to spend any amount on CSR activities.

20. Information About The Financial Performance/ Financial Position Of The Subsidiaries/Associates/Joint Venture:

There was no, associate, joint venture and subsidiary of your Company during the year under review.

21. Extract of Annual Return/Web address

Extract of annual return as per the requirements of Section 92(3) of the Act and Rules framed there under, the extract of the annual return for F.Y. 2020-21 in the prescribed Form No. MGT-9, is available on www.nepamills.co.in

22. Risk Management Policy:

The development and implementation of risk management policy is under process.

23. Energy Conservation

- i) Energy efficient motors, VFD's in Motors of process plant equipments and energy efficient lightings & fittings Viz. LED etc has been considered under RMDP.
- ii) Use of energy efficient lights LED Lamps and fittings are already procured to reduce the energy consumption.
- iii) Power drawl from MPPKVCL Grid is reduced to 1 MW from 2 MW for our less power requirement.

Information in accordance with the provisions of Section 134(3) (m) of The Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding Energy Conservation, Technology Absorption and Foreign Exchange earnings and out go is given at Annexure-III.

24. Company's Policy Relating To Directors Appointment, Payment of Remuneration and Discharge of Their Duties

As per provisions of section 197 of the Companies Act, 2013 read with Rule 5 of the Companies(Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the details of the remuneration of directors etc. in the Directors' Report. However, as per Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs; Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013.

Nepa Ltd. being a Government Company, therefore, such particulars have not been included as part of the Directors' Report.

Being a Government Company appointment of Board Members is under the control of Government of India, therefore, Such particulars have not been included as part of Director's Report.

25. Vigilance

The company is committed to the highest ethical practices in all its activities. In order to maintain the values of ethics, probity and public accountability; a multi-pronged strategy is adopted, which consists of preventive, deterrent and punitive measures. To encourage a culture of honesty and transparency in the company, the guidelines of CVC are adhered to.



Tender documents and contracts finalized are uploaded on the Company website regularly. Payments are made mostly through RTGS/Cheques. Various systemic improvement and preventive vigilance activities are undertaken to sensitize the employees about corruption and combat, it so that the Company can gain through greater transparency and optimal management of resources. Training programmes are conducted to sensitize the officials regarding probity and honesty.

26. Committee Of The Board

Details regarding committee of the board updated in Corporate governance report attached as Annexure IV.

27. Corporate Governance

A report on Corporate Governance is attached at Annexure IV:

- (i) Certificate on Corporate Governance (CG) as per DPE guidelines on Corporate Governance.
- (ii) Secretarial Audit Report u/s 204(1) of the Companies Act, 2013.

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as an Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

28. Directors' Responsibility Statement

The Board of Directors acknowledge the responsibility for ensuring compliance with the provisions of Section 134 (5) of the Companies Act, 2013 in the preparation of annual accounts for the year ended 31st March 2021 and state that:-

- i. in the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the Directors 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. the Directors had taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of this Act and for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Annual Accounts have been prepared on a going-concern basis,
- v. the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

29. Management Discussion and Analysis

A report on Management discussion and Analysis is place at **Annexure – V**.

30. Auditors:

M/s. Fadnis & Gupte, Chartered Accountants, Indore were appointed as Statutory Auditors of the Company for the financial year 2020-21 vide CA.V/COY/CENTRAL GOVERNMENT, NEPA (1)/554 dated 19.08.2020 by the Comptroller and Auditor General of India, Govt. of India, under Section 139 of the Companies Act, 2013.

31. Auditor Report

There is qualifying remark in the Auditor's Report and the remark of auditor is self-explanatory in nature and hence does not require any further clarification in the Boards's Report.

32. Detail of Fraud as per Auditors Report:

There is no fraud in the Company during the F.Y. ended 31st March, 2021. This is also being supported by the report of the auditors of the Company as no fraud has been reported in their audit report for the F.Y. ended 31st March, 2021.

**33. Related Party Transaction:**

During the year, None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Hence, form AOC-2 is not applicable to the Company during year under review.

34. Establishment of Vigil Mechanism:

In accordance with the provisions of the section 177 of the Companies Act, 2013, it is not required for Company to establish a vigil mechanism for its directors & employees.

35. Internal Auditor:

M/s Milind Niyati & Company, Chartered Accountant was appointed to work as an internal auditor of the Company in accordance with the provisions of the Companies Act, 2013 during the year under review.

36. Order Passed by Any Regulatory Authority / Tribunal/ Court:

During the period under review no order passed by any Regulatory Authority or Courts or Tribunals impacting the going concern status and company operation in future.

37. Secretarial Audit Report:

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **IG & Associates**, a Practising Company Secretary to undertake the secretarial audit of the Company for the financial year 2020-21. The Secretarial Audit report as given by the Secretarial Auditor is attached in Corporate Governance report in Annexure IV to this report.

The remark of secretarial auditor is self-explanatory in nature.

38. Internal Control System:

The company has adequate internal control measures. These are in the form of various manuals and procedures issued by the management covering all critical and important activities. These manuals and procedures are updated from time to time and are subject to strict compliance, which is ensured by Internal Audit. The Internal Audit department checks the adequacy and effectiveness of internal control system, reviews and monitors compliance of various policies & procedures. Functioning of internal audit and adequacy of internal control system is reviewed by Board level Audit Committee.

39. Material Changes and Commitments, If Any, Affecting Financial Position Of The Company

The Cost estimates for the ongoing RMDP have gone up to Rs. 434 crore from the sanctioned amount of Rs. 285 crore and estimates of Rs.399 Crore reported in the financial year 2016-17. A case was taken up with GoI to sanction the revised cost estimates. The revised cost estimates were approved by GoI on 12th October 2018. Apart from this, there are no material changes and commitments which have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report that may affect the financial position of the Company, except for the implementation of RMDP as per the Sanctioned Scheme.

40. Particulars of Loans, Guarantees or Investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

41. Deposits

The Company has not accepted deposit from the public within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

42. Comments of the Comptroller and Auditor General of India

The comments of the Comptroller Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Accounts of the Company for the year ended 31st March 2021 are under consideration.

**43. Reclassification of Share Capital**

The company has sub divided Equity Share to have uniform nominal value for all the equity share of the company vide resolution dated 30.12.2020 passed by shareholders. 277616328 Equity share of Rs. 10 each subdivided into 555232656 Equity Share of Rs. 5 each Post subdivide Capital Structure of the company are as follow:-

The Authorized capital of the company is

- i. Rs. 540.00 crores divided into 108,00,00,000 Equity Shares of Rs.5/-Each and
- ii. Rs. 150.83 crores divided into 15,08,300 7% Non-Cumulative Preference Shares of Rs.1,000/- each

44. Board meetings

The Board of Directors of your Company held four meetings during the year.

S.No.	Date	No. of Directors Present
1	25.09.2020	6
2	02.12.2020	5
3	26.12.2020	4
4	25.03.2021	5

45. Audit Committee

The Audit Committee held Four meetings during the year.

S.No.	Date	No. of Members Present
1	25.09.2020	5
2	02.12.2020	3
3	26.12.2020	3
4	25.03.2021	3

One Stakeholder relationship committee meeting held during the year on 05.08.2020 attended by 2 members.

46. Composition of Board of Directors & KMP

Composition of Board is as follow

S.no	Name	Particular
1	Smt. Sukriti Likhi	Part Time Official Director w.e.f. 20.11.2018
2.	Smt. Kalpana Shrivastava	Independent Director w.e.f 18.02.2019
3.	Smt. Kamlawati Singh	Independent Director w.e.f 20.02.2020
4.	Shri H.S. Mohanta	Part Time Official Director w.e.f. 19.11.2019
5.	Shri C Ananda	Chairman cum Managing Director w.e.f 18.12.2019
6.	Shri P.K Naik	Director Finance w.e.f.02.05.2019
7.	Shri Cmde Saurav Deb	Chairman Cum Managing Director w.e.f. 01.01.2021



During the year under review following changes were done in Board.

1. Tenure of Shri C Ananda as Chairman Cum Managing Director Nepa Ltd Complete on 23.12.2020.
2. Cmde Saurav Deb appointed as Chairman Cum Managing Director of Nepa Ltd w.e.f. 01.01.2021.
3. Shri P.K. Naik appointed as Director Finance (Add. Charge) w.e.f.02.05.2019 with further extension of one year and then further Extension for 1 year.

47. Status of marketability of Newsprint and WPP.

Paper Industry has been a growing industry of great prominence and social relevance for decades. The mean annual growth rate however has fallen steeply to 1% or so in the last decade. Per capita consumption in developed country, world average and in India is +200 Kgs, 57 Kgs and 13 Kgs respectively. Thus, India stands fare chance of substantial growth if not robust growth trajectory in coming decade though current trend of growth 6-7% yearly continues. Neighbouring countries like Sri Lanka, Bangladesh and Myanmar have more per capita consumption than India. Indian paper industry ranks at fifth position globally after US, China, Japan and Germany. By 2030 Indian paper and board's demand is projected to be around 30 Milliontonnes.

The GDP nos in times ahead for Indian economy would reflect on indigenous paper industry as well. Though, Newsprint segment is expected to grow, not on expected lines vis-à-vis FY2019-20. However, the positive sign of growth in India will continue and globally trends will be inversely proportion to India. To be in brief, India will continue to witness the growth in all segments of paper once the detrimental effect on Indian and Global recession for Covid-19 is ascertainable and restoration of economic activity through macro and micro regulatory measures by respective Governments and Central Bankers become sustainable.

Category	2018 Market Size (mn tons)		FY 17-21 CAGR	
	Global	Indian	Global	Indian
Newsprint	146	2.9	-3%	1%
Writing & Printing	-	5.5	0%	4%
Paperboard & Industrial Sector	309	8.1	2%	9%
Speciality Papers	41	0.7	1%	9%
Total	496	17.2	1%	6%

The paper demand in Indian sub-continent is rising on Year-on-Year and major demand of paper i.e.approx 60%, is met through domestic production. Packaging and speciality papers have witnessed a CAGR 9.14%and 11.64% respectively. Newsprint and Writing & Printing Paper capacity CAGR (2017-2020) have witnessed 2.6% and 5.89%. There has been a shift in the consumption pattern of paper in India. It is projected that the contribution of WPP and Newsprint will reduce to 40% by 2021-22 from 45% in 2017. Reasons for this decrease in paper consumption are rise in digitisation and greater penetration of online news applications and news feeds. Newsprint and WPP consumption ranges 2-2.9 and 5.5 Million tons respectively.

Newsprint Segment: - Newsprint papers have witnessed the slowest growth in last few years compared to other paper segments. There has been slow growth in news paper dailies due to rise of digital applications and electronic media platforms. Consumer generally tracks national news through TV and regional- local news through newspapers. But with the per capita income increase, massive urbanisation and with the GDP growth increase, there is all likelihood of newsprint demand to uptick further.

Writing Paper Segment:-

WPP segment is expected to grow at the rate 4% once economy recovers from the contours of Covid-19. Key segments which are heavy users of WPP are service industry, publishing houses and education sector. This segment is



expected to have heavy growth once economy restores normal pace in post Covid-19 scenario. As lockdown has resulted multiple fractures upon Indian and global economy. Service sector in India was witnessing a rise at a CAGR 7%. This sector has direct co-relation with the rise in the Writing and Printing paper. Increased focus and higher budgetary allocations by Central and respective State Govts. on school education, Pharmaceutical sector, Health and family welfare sector, rise in number of centres of higher education, double digit growth in FMCG sector in FY19 approx 11.5%, and e-Commerce sector expected to grow at a CAGR 35% up to FY 2020-2021 and thereafter at 18.9% in next five years.

Future Outlook for Nepa Ltd:-

Growth in the Indian paper industry is inextricately linked to structural economic factors like population growth rate, transition in demography, improvements in literacy rates, higher spending on education by Govts and phenomenal growth in print and media industry. Given free access to domestic market industry is exposed to the international competition.

Indian paper has also seen a paradigm shift in the demand pattern and consumer preferences. The increase in income level of middle income group and phenomenal growth in higher education also professional tie ups with global universities has changed the mindset and behaviours of consumers with their preferences. Demand for quality and cost effective paper is on increase at a fast pace. Increasing health consciousness post Covid-19 and subsequent environmental concerns will propel the demand of speciality papers viz high quality tissue with sanitization, face protection disposable but cheap masks and as a substitute of plastic in every walk of life, further for addressing hygienic concerns of masses.

Nepa Ltd stands at a cusp of its survival and turnaround in post Covid-19 upsurge will adversely impact the Indian economy. In pre Covid-19 scenario, Renovation Modernization Mill Development Plan (RMDP) was in full swing. Though, lockdown due to corona virus had once confined the works on to hold for quite a long time. Now with the flamboyant, present management and project leadership, and decisive lead role already undertaken by Administrative Ministry.

The way GoI and RBI have acted in times of post Covid-19 economic recovery path, hopefully with the containment protocols flood-gates of lockdown is being opened gradually and swiftly. This Force Majeure has adversely affected whole world exponentially so is Indian economy as well. Hopefully with the onset of restoration of works at full swing at Nepa Ltd, the RMDP works are to be completed at the earliest as trial-commissioning phase is at full swing. Company management has left no stone un-turned in resolving any of intricate issues w.r.t supplier, contractor, fabricator, workforce etc.

On completion of RMDP the Company will produce 100000 MT PA, Writing & Printing Paper and Newsprint paper depending on market demand and profitability equation. Roadmap for sourcing of input raw materials, chemicals and wire-fabrics etc is on cards. We are hopeful of its grand turnaround.

48. Maintenance of Cost Records

The specified accounts have been made and maintained.

49. Evaluation of The Board's Performance:

As per Notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs; Government Companies are exempted from complying with provisions of section 134 (P) of the Companies Act, 2013.

Nepa Ltd. being a Government Company, therefore, such particulars have not been included as part of the Directors' Report.

50. Impact of Covid-19

The outbreak of Corona Virus (Covid-19) as a pandemic caused significant disturbance and slow down in economic activities globally. The Company's operations were impacted due to state wise lockdown from March, 2021 to April, 2021. The Company has considered such impact to the extent known and available in assessing the carrying amounts



of Company's assets, investments, trade receivables and inventories. The impact of the global healthy pandemic may be different from that estimated as at the date of approval of these financial statements. Further the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.

51. Acknowledgement

The Board acknowledge with deep sense of appreciation for co-operation and continuous support received from the Department of Heavy Industry, Ministry of HI&PE, Govt. of India and the Govt. of Madhya Pradesh from time to time. Out of the entire spectrum of PSUs, your company is the only one that has been sanctioned a revival package. The board of Directors are thankful for this support. Directors are also thankful to the Comptroller and Auditor General of India, the Statutory Auditors and the Secretarial Auditors for their valuable suggestions and guidance. Directors are also grateful to the Customers, Suppliers/Vendors, RMDP contractors and Bankers for their continued patronage and support. The Board is also thankful to the Shareholders for the patience so far as no return on their investment has been possible for several years. Their support has been of immense strength to the company during these difficult years.

The Board of Directors also place on record their sincere appreciation of the dedicated and enthusiastic efforts of the employees at all levels for the smooth conduct of operations and modernization project of the Company.

The Board of Directors also convey their appreciation to all the national and international companies that are contributing to the modernization project of the company.

For & on behalf of the Board

Cmde Saurav Deb
Chairman-cum-Managing Director

Date: 09.12.2021

Place: New Delhi

**ANNEXURE-I TO THE DIRECTOR'S REPORT**

Position regarding employment of Scheduled Castes/Scheduled Tribes, Ex-Servicemen/OBC etc. as on 31.03.2021

1. Representation of SCs/STs/OBCs

Group	Total No. of Employees	No. of SC	%	No. of ST	%	No. of OBC	%
A.	69	4	5.80	0	0.00	13	18.84
B.	120	5	4.17	3	2.50	19	15.83
C.	45	6	13.33	1	2.22	1	2.22
D.	5	5	100	-	-	-	-

*(65 Temporary Employees not considered in the above presentation).

2. Representation of Ex-servicemen

GROUP	TOTAL NO. OF EMPLOYEES	DISABLED EX-SERVICEMEN	%	DEPENDENT OF EX-SERVICE KILLED IN ACTION	%	OTHER EX-SERVICEMEN	%
A.	69	-	-	-	-	-	-
B.	120	-	-	-	-	-	-
C.	45	-	-	-	-	-	-
D.	5	-	-	-	-	-	-

3. Representation of Persons with Disabilities (PwD)

GROUP	TOTAL NO. OF EMPLOYEES	NO. OF PHYSICALLY CHALLENGED	CATEGORY OF PHYSICALLY CHALLENGED
A	69	0	-
B	120	0	-
C&D	50	0	-

**ANNEXURE-II TO THE DIRECTOR'S REPORT****Representation of Female Employees as on 31.03.2021**

	PAY SCALE	NO. OF EMPLOYEES	NO.OF FEMALE EMPLOYEES	%
A	EXECUTIVES			
	22500-27300	1	0	0
	20500-25000	0	0	0
	18500-23900	1	0	0
	17500-22300	3	0	0
	16000-20800	2	0	0
	14500-18700	15	1	6.67
	13000-18250	22	1	4.55
	10750-16750	11	0	0
	8600-14600	14	0	0
	6550-11350	3	0	0
	TOTAL A	72	2	2.78
B	NON-UNIONISED SUPERVISOR			
	6000-9040	30	4	13.33
	TOTAL B	30	4	13.33
C	WORKMEN			
	5900-8845	12	2	15.38
	5800-8760	14	2	13.33
	5650-8680	61	2	2.86
	5350-8350	00	0	0
	5250-8060	50	2	3.57
	4850-7600	0	0	0
	4650-7200	0	0	0
	4450-6800	0	0	0
	4300-6450	0	0	0
	4200-6150	0	0	0
	TOTAL C	137	8	5.84
	GRAND TOTAL (A+B+C)	239	14	5.86

**ANNEXURE-III****FORM 'A'**

(Form for disclosure of particulars with reference to conservation of energy)

Particulars	Unit	2020-21	2019-20
I. NEWSPRINT			
Power and Fuel Consumption			
1. Electricity:			
a) Purchased Units (MPEB Grid)	KWH	3189050	3153100
Total amount	Rs. Lacs	305.92	303.99
Cost / Unit	Rs.	9.59	9.76
b) Own Generation Units			
i) Power House	KWH	NIL	NIL
ii) DG Set	KWH	NIL	NIL
c) Total Unit (a+b)		3189050	3153100
2. Coal used in Power House:			
Quantity	MT	NIL	NIL
Total Cost	Rs. lacs	NIL	NIL
Average Rate	Rs./MT	NIL	NIL
3. Fuel Oil:			
Quantity	KL	NIL	NIL
Total Cost	Rs. lacs	NIL	NIL
Average Rate	Rs./KL	NIL	NIL
4. Other/Internal Generation		NIL	NIL
Consumption per unit of production			
Newsprint Production	MT	NIL	NIL
Electricity(Purchased)	KWH/T	NIL	NIL
Electricity (own generated)	KWH/T	NIL	NIL
Coal/T of Paper	Kg/T	NIL	NIL
Fuel Oil	Lit/T	NIL	NIL



(Form for disclosure of particulars with respect to technology absorption)

RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES IN FUTURE

1	Specific areas in which R&D	Improved quality of end products with chemicals & modern carried out De-inking Cell for manufacturing paper of higher brightness.
2	Benefits derived as a result of	Use of cheapest raw material to improve the cost efficiency in existing system.
3	Future Plan of Action	Testing of various combinations of Raw material and chemicals for effective and economic utilization of chemicals in upgraded plant setups in newly installed De-Inking plant and in Paper machine, to achieve desired properties of finished paper products (Writing & Printing and Newsprint) after RMDP, so as to match paper of imported quality. 1. To assist in up-gradation of ET Plant so as to meet zero liquid discharge.
4	Expenditure of R&D	a) Capital NIL b) Recurring NIL Lakh c) Total NIL Lakh

B)	Technology absorption adaptation and innovation	The mill will produce improved Newsprint and Writing & Printing grade paper under RMDP. Thus productivity as well as product quality will be as per the standard.
C)	Foreign exchange earnings and outgo	Activities relating to exports Initiatives taken to increase Exports, development of new Export market for products & Services, and export plans. a) Company has imported plant and machinery under EPCG (Export Promotion Capital Goods) Scheme of Government of India with debting EPCG licenses worth 26 Cr against six times export obligation. In compliance to export obligation, finished paper will be exported post RMDP after commencement of production. In addition to this the company is forecasting its future sales (after RMDP) in the form of exports as it is going diversifying its product to writing and printing grade.
D)	Total foreign exchange used & earned	i) Earnings - NIL (Previous Year Rs.83350) ii) Used (Procurement of OIN) – NIL

For & on behalf of the Board

PLACE: New Delhi
DATE: 09.12.2021

CMDE SAURAV DEB
Director
DIN:09068496

PRADEEPKUMARNAIK
Director Finance
DIN:08676709

**ANNEXURE IV****CORPORATE GOVERNANCE**

Corporate governance implies the method or measures taken to govern the Company in such a manner so as to ensure more accountability of Board of Directors towards the Shareholders and other stakeholders. It has been drawn up defining the role of Board of Directors, establishing director's accountability to the Shareholders, investors and interest group setting out guidelines for more effective and new quality of performance, changing the face of relation between the board and executive officers. Your Company is committed to adopting the best global practices of Corporate Governance. The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long-term shareholders' value and interest of its entire shareholders.

The Board of Directors of the company have developed and adopted Corporate Governance guidelines imposed by DPE guidelines for CPSE. The Board ensures that the company has necessary regulatory mechanism so that timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is disclosed.

As required by the Guidelines on Corporate Governance for Central Public-Sector Enterprises, a report on Corporate Governance is given below:

1. COMPANY'S PHILOSOPHY

Nepa Limited's philosophy on Corporate Governance endeavours to achieve highest levels of transparency, integrity and equity, in all its operations. The company believes that good Corporate Governance is essential for achieving long term corporate goals and enhancing stakeholder's value. The Company's business objective is to manufacture and market its products in such a way as to create value that can be sustained over long term for all its stakeholders including shareholders, employees, customers, Government and the lenders.

2. BOARD OF DIRECTORS**(i) Composition and Category of Directors****SIZE OF THE BOARD:**

Nepa Limited is a Government company within the meaning of Section 2 (45) & Companies Act, 2013. As per the Articles of Association of the company, the power to appoint Directors vests with the President of India. Accordingly, all the Directors on the Board of Nepa Limited have been appointed by the President of India through DHI.

In terms of Articles of the Company, the number of directors of the company shall not be less than 4 and more than 12.

3. COMPOSITION OF THE BOARD

As on 31st March, 2021, The Board of Directors of Nepa Limited comprise of 6 Directors, out of which 2 are whole time Directors including Chairman cum Managing Director, one Whole Time Director – D(Finance) , Two (2) Govt. nominees Directors (One being the Government of India nominee and the other being Government of M.P. nominee) and Two (2) Independent Director.

BOARD MEETINGS:

During the year 2020-21, 4 Board Meetings were held on 25th September 2020, 2nd December 2020 (adjourn and held on 4th December 2020), 26th December 2020 and 25th March 2021.

Note: As per Para II of General Circular No. 11/ 2020 dated 24th March, 2020. Board Meeting from April 2020 till 30th September 2020 can be conducted with a larger gap of 180 days.



NEPA LIMITED

The details of attendance of Directors for the year 2020-21 at the Board Meetings and in AGM are given below:-

Name of Director	Category	Board Meetings held	Board Meetings entitle to attend	Board Meetings Attended	Attendance in previous AGM
*Shri C Ananda	Chairman cum Managing Director	4	2	2	NO
** Cmde Saurav Deb	Chairman cum Managing Director	4	1	1	NA
Smt. Sukriti Likhi	Part-time Official Director	4	4	3	NO
Shri H.S.Mohanta	Part-time Official Director	4	4	2	NO
Smt. Kalpana Shrivastava	Independent Director	4	4	4	YES
Smt. Kamlawati Singh	Independent Director	4	4	4	YES
Shri .P.K.Naik	Director (Finance)	4	4	4	YES

Details with particulars of their Directorships and Chairpersonship/Membership of Board Committees in other Public Companies, in which they are Directors showing the position as on 31st March, 2021 are given below:-

Sr. No.	Name of Directors	Directorship in other Public Companies	Committee positions held	
			Chairpersonship	Membership
1.	Shri C Ananda*	Executive Director BHEL		
2.	Cmde Saurav Deb**	NIL	-	-
3	Smt. Sukriti Likhi	1. Cement Corporation of India Limited 2. Engineering Project (India) Ltd 3. Tumakuru Machine Tools Park	-	-
4	Shri H.S. Mohanta	M.P. State Mining Corporation Limited	-	-
5	Smt. Kalpana Shrivastava	NIL	-	-
6	Smt. Kamlawati Singh	NIL	-	-
7	Shri .P.K.Naik	currently designated as AGM (Finance) BHEL, Bhopal	-	-

*Tenure of Shri C Ananda as Chairman Cum Managing Director Nepa Ltd Completed on 23.12.2020

** Cmde Saurav Deb appointed as Chairman Cum Managing Director of Nepa Ltd w.e.f. 01.01.2021



Brief Resume of New Director Appointed on Board and their Area of Expertise

1. Cmde Saurav Deb

Cmde Saurav Deb takes charge as Chairman cum Managing Director of NEPA LTD w.e.f. 1st January 2021. He possesses more than 3 decades of rich and diversified experience in, Project Implementation. Supply chain management. Before joining NEPA LTD, he was serving Indian Navy in the rank of commodore. Cmde Saurav Deb is a B-Tech graduate and Master of Management Studies (MMS) from Mumbai university. Later he had completed MSC in Marine Engineering.

4. COMMITTEES OF THE BOARD OF DIRECTORS:

The Board has constituted following Committee of the Board:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee

AUDIT COMMITTEE COMPOSITION

In pursuance of Section 292A, the Company formed Audit Committee of its Board of Directors w.e.f. 18th August, 2003. The Audit Committee has been reconstituted from time to time so as to include independent directors in compliance of Corporate Governance Guidelines. Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and Reporting practices of the Company and its compliance with the legal and regulatory requirements. The committee's purpose is to oversee the accounting and financial reporting process of the company, the audit of the Company's financial statements, Independence,

Performance and remuneration of statutory Auditors, the performance of Internal Auditors, the company's risk management policies, etc.

The composition of the Audit Committee and number of meetings attended by the Members are given below:-

- | | |
|-----------------------------|--|
| 1. Smt. Kalpana Shrivastava | Chairperson (From 07.03.2019) |
| 2. Shri H.S. Mohanta | Member (From 30.03.2020 till 25.09.2020) |
| 3. Smt. Sukriti Likhi | Member (From 07.03.2019 till 25.09.2020) |
| 4. Shri P.K. Naik | Member (from 25.09.2020) |
| 5. Smt. Kamlawati Singh | Member (From 30.03.2020) |

During the F.Y. 2020-21, four meeting have been held on 25th September 2020, 2nd December 2020 (adjourn meeting held on 04.12.2020), 26th December 2020 and 25th March 2021 Details of the member's attendance are as follows:

Name of Director	Category	No. of Meeting held	Meetings entitle to attend	No. of Meetings Attended
Smt. Kalpana Shrivastava	Independent Director (Chairman)	4	4	4
Shri H.S.Mohanta	Nominee Director (Member)	4	1	1
Smt. Sukriti Likhi	Nominee Director (Member)	4	1	1
Smt. Kamlawati Singh	Independent Director (Member)	4	4	4
Shri P.K.Naik	Director Finance (Member)	4	4	4

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee deals with approval of share transfer(s)/transmission(s), issue of duplicate share certificate(s), split and consolidation request(s) and other matters relating to transfer and registration of shares.

The composition of the Stakeholders Relationship Committee is as under:

1. Smt. Kalpana Shrivastava Chairperson & Member (From 30.03.2020)
2. Shri C Ananda Member (from 30.03.2020 Till 23.12.2020)

During the F.Y. 2020-21, one meeting of the committee was held on 5th August 2020

Name of Director	Category	No. of Meeting held	Meetings entitle to attend	No. of Meetings Attended
Smt. Kalpana Shrivastava	Chairman	1	1	1
Shri C Ananda	Member	1	1	1

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee comprises non-executive Directors of the Company. The names of the members & chairperson of the committee are as under:

1. Smt. Kalpana Shrivastava Chairperson from 07.03.2019
2. Smt. Sukriti Likhi Member from (07.03.2019 Till 25.09.2020)
3. Smt. Kamlawati Singh Member (from 30.03.2020)
4. Mr. H.S. Mohanta Member (From 30.03.2020 Till 25.09.2020)

During the F.Y. 2020-21 no meeting held by Nomination and Remuneration committee as no recommendation regarding appointment/resignation of KMP is considerable.

General Body meetings:

Financial year	Date	Time	Venue	Special Resolution passed
2017-18	26 th September, 2018	4:00 PM	Nepa Auditorium, Nepanagar 450221 (M.P.)	No
2018-19	12 th December, 2019	4:00 PM	Nepa Auditorium, Nepanagar 450221 (M.P.)	No
2019-20	30 th December, 2020	4:00 PM	Nepa Ltd Registered Office, Nepanagar – 450221 (M.P.)	Yes

**Details of Special Resolution passed at Annual General Meeting in last Three years**

Financial year	Date and time	Venue	Special Resolution passed
2017-18	26 th September, 2018 4.00 PM	Nepa Auditorium, Nepanagar – 450221 (M.P.)	NA
2018-19	12 th December, 2019 4:00 PM	Nepa Auditorium, Nepanagar – 450221 (M.P.)	NA
2019-20	30 th December, 2020, 4: 00 P.M.	Nepa Ltd Registered Office, Nepanagar – 450221 (M.P.)	1. Deletion of clause 4 of the Articles of Association of the Company by substituting new clause 2. Deletion of clause V of the Memorandum of Association of the Company by substituting new clause

Annual General Meeting for the financial year 2020-21:-

Date and Day	Thursday 30 th December 2021
Mode	Video Conference VC/other Audio Visual Means ('OAVM')
Time	4:00 P.M.
Venue	Nepanagar

6. Disclosures:

Details of remuneration paid to Functional Directors during the Financial Year 2020-21 are under:

Amount in Rs.

Sr. No.	Particulars	CMD Cmde Saurav Deb w.e.f. 01.01.2021	CMD Shri C Ananda Till 23.12.2020
a.	Salary & Allowances	298340	-
b.	Contribution to PF	35802	-
c.	Other Benefits	-	-
	Total	334142	-

Shri C Ananda was appointment on additional charge hence no salary allowances paid by the company during his tenure as CMD Nepa Ltd

Part-time Non-official (Independent) Director/(s):

Part-time Non-official Directors do not have any material pecuniary relationship or transactions with the Company and its Management. They do not receive any remuneration/commission except Sitting Fee(s).

Total Sitting Fees during F.Y. 2020-21 are Rs. 44,000/-

(i) Disclosure of materially significant related party transactions that may have potential conflict with the interests of company at large:

No such transactions took place in the company during the financial year.



(ii) Details of non-compliance by the company, penalties, strictures imposed on the company by any statutory authority, on any matter related to any guidelines issued by Government, during the last three years:

No such cases of non-compliance recorded in the company during the financial year.

(iii) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee:

No person denied access to Audit Committee

7. Means of Communication: The Company communicates with its shareholders through its Annual Reports, General meetings and disclosures through websites. Information and latest updates and announcements regarding company can be accessed at company's website www.nepamills.nic.in.

8. Code of Conduct:

In compliance of the guidelines on Corporate Governance for Public Sector Enterprises, issued by Department of Public Enterprises (DPE), "the Code of Business Conduct and Ethics for Board members and Senior Management Personnel of Nepa Limited" has been devised and made effective from 6th August 2013. This code would be read in conjunction with the Conduct, Discipline & Appeal Rules for officers. The purpose of this Code is to enhance further ethical and transparent process in managing the affairs of the company. This Code of Conduct has been applicable to:

- a) All Whole Time Directors
- b) All Part Time Directors including independent Directors under the Provisions of law and
- c) Senior Management (HoDs)

For & on behalf of the Board

CMDE SAURAV DEB

Director

DIN:[09068496](#)

PRADEEPKUMAR NAIK

Director Finance

DIN:[08676709](#)

DATE: 01.12.2021

PLACE: New Delhi

**CORPORATE GOVERNANCE CERTIFICATE**

To

The Members,
Nepa Limited,
Nepa Nagar (M.P.)

I have examined the Compliance of conditions of Corporate Governance by **Nepa Limited (CIN: U21012MP1947GOI000636)** (“the Company”) for the year ended on 31st March, 2021, as stipulated in the Guidelines on Corporate Governance (“the guidelines”) for Central public sector Enterprises issued by the Department of Public Enterprises, Government of India, vide OM No. 18(8) 2005-GM, dated 14th May, 2010.

1. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. The Company has taken steps for reviewing of compliance of laws and in other areas of integration and alignment of risk management with corporate and operational objectives but policies and procedures are still under implementation.
3. In my opinion and to the best of my information and according to the explanations given to me, subject to my observation, I certify that the Company has complied with the applicable conditions of Corporate Governance stipulated in the guidelines except the provision pertaining to following:-
 - a) Gap between two Board Meetings.
However, as per Para II of General Circular No.11/2020 dated 24th March 2020. Board Meeting from April 2020 till 30th September 2020 can be conducted with a larger gap of 180 days.
 - b) Meeting of Management Committee
 - c) Meeting of Audit committee
 - d) Composition of Nomination and Remuneration Committee.
 - e) Risk Assessment and Management System
 - f) Means of publication of Quarterly Results (Newspapers, Website etc.)
4. I 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.

Place: Indore
Date: 01.12.2021

Dinesh Kumar Gupta
Practicing Company Secretary
M. No.: 5396 CP No. 4715
UDIN:F005396C001619833



IG & Associates

Company Secretaries

Office: 608-A, THE ONE, 5, R.N.T. Marg, Indore-452001(M.P.)

E-mail: igassociatescs@gmail.com, Mob.: 09009403008

ISHA GARG

FCS, MBA

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,
The Members
NEPA Ltd
Registered Office: Nepanagar,
Dist: Burhanpur - 450221 (MP)
CIN:U21012MP1947GOI000636

We have conducted the Secretarial Audit of the compliance applicable statutory provisions and the adherence to good corporate practices by NEPA Ltd CIN:U21012MP1947GOI000636 (hereinafter called the Company) Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on our verification of the company's, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

We hereby report that in our opinion, the company has during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by NEPA Ltd ("the Company") for the financial year ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder read with modifications, exemptions and clarifications thereto; **(Subject to the following non compliances and observations listed in Annexure-I)**
- (ii) The Securities Contracts (Regulation) Act 1956('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI' Act): **Not Applicable.**



- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended from time to time. **Not Applicable**
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. **Not Applicable.**
 - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations 2009, as amended from time to time. **Not Applicable.**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014. **Not Applicable.**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable.**
 - (f) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 as amended from time to time regarding the Companies Act and dealing with client. **Not Applicable.**
 - (g) The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009 as amended from time to time. **Not Applicable.**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **Not Applicable.**
- (vi) During the period under review the Company has generally complied with the provisions of the specifically Laws applicable to the company as per the representation/certificate made by the management of the Company and we relies the same.
- a) Factories Act, 1948;
 - b) Contract Labour (Regulation & Abolition) Act;
 - c) Child Labour (Prohibition & Regulation) Act, 1986;
 - d) Environment Protection Act, 1986;
 - e) Water & Air Control of Pollution Act, 1974;

We have also examined compliance with the applicable clauses of the following.

- (i) Secretarial Standard issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Exchange read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended from time to time. **The Company is not a listed entity hence provisions of this regulations are not applicable to the company.**

During the Audit period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, We further report that:

The Board of Directors of the Company has not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act noted in the consecutive Board Meeting.

Adequate notice is given to all Directors to schedule the board meetings, agenda and detailed note on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further



information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has specific events/actions that having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

Note: This report is to be read with our letter dated 01.12.2021 which is annex as (Annexure II) and forms and integral part of this report.

COMPANY SECRETARIES

Date: 01/12/2021

Place: Indore (MP)

FOR IG & ASSOCIATES

ISHA GARG

(PROPRIETOR)

M.NO. FCS: 9955 COP No: 12184

PEER REVIEW NO.: 914/2000

UDIN:F009955C001621411

**IG & Associates**

Company Secretaries

Office: 608-A, THE ONE, 5, R.N.T. Marg, Indore-452001(M.P.)

E-mail: igassociatescs@gmail.com, Mob.: 09009403008

ISHA GARG

FCS, MBA

Annexure-I

1. Nonpayment of Stamp Duty on Issuance of Share Certificates:

During Audit, we observed that the Company has not complied with the provisions of payment of Stamp duty on issuance of Share Certificates in respect of allotment made during the period 17-02-2016 to 30-08-2016 in accordance with provisions of Indian Stamp (Madhya Pradesh) Amendment Act, 2014 and as a result thereof has not paid the stamp duty amounting Rs. 47,68,514 at the time of issue of share certificates. Further, on verification of records it came to our notice that Company has applied for waiver of Stamp duty to the Competent Authority and final decision in the matter has not been made till completion of audit for Financial Year 2020-21.

2. Compliances of Companies Act, 2013 and delayed filing of ROC Forms>Returns:

i. During the audit, we observed that the company has not complied the provisions of Companies Act, 2013 and not timely filed the statutory forms/returns with the Registrar of Companies within the prescribed statutory time limit for the financial year 2020-2021.

3. E-Form CHG-4 not filed with ROC with in stipulated time limits:

During Audit, we identified that in respect of amount secured by charge as mentioned in table below; there is no Loan outstanding in the Books of Accounts of the Company as on 31.03.2021. However, on verification of Registrar of Companies records. We observed that the below mentioned Charges are still outstanding against Assets. It reveals that e-Forms CHG- 4 for satisfaction of charge in respect of these loans are not filed by the company with Registrar of Companies till now.

The details are as follows:

Charge ID	Charge Holder Name	Date of Creation	Amount	Auditor's Comment
90204446	M. P. Electricity Board, Jabalpur	18/09/1978	12500000.00	E-FORM CHG-4 has not been filed by the Company.
90204427	The Chairman Madhya Pradesh Housing Board, Bhopal, MP	21/03/1964	96250.00	E-FORM CHG-4 has not been filed by the Company.

4. Management Committee Meeting.

No meeting of Management Committee has been conducted during Financial Year 2020-21.

5. Cost Audit.

The Company has not complied with the provision of Section 148 (2) regarding Cost Audit as production is currently suspended due to ongoing RMDP. However, cost records were maintained by the Company as prescribe under Section 148(1). During the year under review Cost Audit not conducted.

**FOR IG & ASSOCIATES
COMPANY SECRETARIES
F.R. NO.: I2013MP1054000**

Date: 01.12.2021

Place: Indore

**ISHA GARG
(PROPRIETOR)
M. NO: FCS 9955 CP: 12184
PEER REVIEW NO.: 914/2020
UDIN: F009955C001621411**



**To,
The Members
NEPA Ltd
Registered Office: Nepa Nagar,
Dist: Burhanpur - 450221 (MP)
CIN:U21012MP1947GOI000636**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for forming our opinion.
3. We have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof, compliance of the applicable IND-AS, financial records and Books of Accounts of the company as the same is subject to the Statutory Audit being performed by the independent auditors.
4. Wherever required, we have obtained the Management Representation / Certificates / data Information about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, guidelines, standards etc., are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.
7. We do not take any responsibility for any person if taking any commercial, financial or investment decision based on our Secretarial Audit Report as aforesaid and they needs to take independent advise or decision as per their own satisfaction.
8. We have relied on electronic and soft copies of documents as produced for verification of compliances of various laws.
9. We have conducted online verification and examination of records as facilitated by the company/ authorized persons, due to Covid 19 for the purpose of issuing this report.

**FOR IG & ASSOCIATES
COMPANY SECRETARIES
F.R. NO.: I2013MP1054000**

**ISHA GARG
(PROPRIETOR)
M. NO: FCS 9955 CP: 12184
PEER REVIEW NO.: 914/2020
UDIN: F009955C001621411**

**Date: 01.12.2021
Place: Indore**



ANNEXURE V MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Introduction:

The pulp and paper industry comprises companies that use wood or agro products or wastepaper as raw material and produce pulp, paper, board and other cellulose-based products. Paper is a product with daily demand from almost all sections of society. The companies in paper industry can be divided into wood based, agro based and waste paper based (recycle based) companies. Paper Industry can also be categorized on basis of products such as newsprint, printing & writing, kraft papers, paperboards, special grade papers etc.

INDUSTRY SCENARIO

Broadly, the industry is classified into four main segments - Namely, Writing and Printing Paper, Industrial Packaging paper, speciality paper and newsprint. India holds 15th rank among paper producing countries in the world with a total installed capacity of 16 million tonnes. The demand is estimated at 17 million tonnes. The per capita consumption is around 13 kgs against the Asian average of 26 kgs and World average of 58 kgs. India is considered as the fastest growing market for paper in the world with an average annual growth of 6%. The domestic consumption is expected to rise to 25 million tonnes by 2021-22. Indian Paper Industry is highly fragmented with over 750 paper mills of varying sizes spread across the Country. Only 50 mills are of a capacity of 50,000 tpa or more. The overall capacity utilization is estimated at 80-90%.

Indian Paper Industry Outlook:

Over the next five years, the domestic industry is projected to grow at 6-7% CAGR to reach 20 million tonnes by 2022.

The total production of newsprint in India is around 2.0 million tpa while the demand is around 2.7 million tonnes. The industry is growing at a rate of 5% and is expected to reach 5.5 mtpa by 2025.

Paper Industry has been a growing industry of great prominence and social relevance for decades. The mean annual growth rate however has fallen steeply to 1% or so in the last decade. Per capita consumption in developed country, world average and in India is +200 Kgs, 57 Kgs and 13 Kgs respectively. Thus, India stands fare chance of substantial growth if not robust growth trajectory in coming decade though current trend of growth 6-7% yearly continues. Neighbouring countries like Sri Lanka, Bangladesh and Myanmar have more per capita consumption than India. Indian paper industry ranks at fifth position globally after US, CHINA, JAPAN and Germany. By 2030 Indian paper and board's demand is projected to be around 30 Milliontonnes.

The GDP nos in times ahead for Indian economy would reflect on indigenous paper industry as well. Though, Newsprint segment is expected to grow, not on expected lines vis-à-vis FY2020-21. However, the positive sign of growth in India will continue and globally trends will be inversely proportion to India. To be in brief, India will continue to witness the growth in all segments of paper once the detrimental effect on Indian and Global recession for Covid-19 is ascertainable and restoration of economic activity through macro and micro regulatory

The paper demand in Indian sub-continent is rising on Year-on-Year and major demand of paper i.e. approx 60%, is met through domestic production. Packaging and speciality papers have witnessed a CAGR 9.14% and 11.64% respectively. Newsprint and Writing & Printing Paper capacity CAGR (2017-2020) have witnessed 2.6% and 5.89%. There has been a shift in the consumption pattern of paper in India. It is projected that the contribution of WPP and Newsprint will reduce to 40% by 2021-22 from 45% in 2017. Reasons for this decrease in paper consumption are rise in digitisation and greater penetration of online news applications and news feeds. Newsprint and WPP consumption ranges 2-2.9 and 5.5 Million tons respectively.

Newsprint Segment: - Newsprint papers have witnessed the slowest growth in last few years compared to other paper segments. There has been slow growth in news paper dailies due to rise of digital applications and electronic media



platforms. Consumer generally tracks national news through TV and regional- local news through newspapers. But with the per capita income increase, massive urbanisation and with the GDP growth increase, there is all likelihood of newsprint demand to uptick further.

Writing Paper Segment:-

WPP segment is expected to grow at the rate 4% once economy recovers from the contours of Covid-19. Key segments which are heavy users of WPP are service industry, publishing houses and education sector. This segment is expected to have heavy growth once economy restores normal pace in post Covid-19 scenario. As lockdown has resulted multiple fractures upon Indian and global economy. Service sector in India was witnessing a rise at a CAGR 7%. This sector has direct co-relation with the rise in the Writing and Printing paper. Increased focus and higher budgetary allocations by Central and respective State Govts. on school education, Pharmaceutical sector, Health and family welfare sector, rise in number of centres of higher education, double digit growth in FMCG sector in FY19 approx 11.5%, and e-Commerce sector expected to grow at a CAGR 35% up to FY 2020-2021 and thereafter at 18.9% in next five years.

Future Outlook for Nepa Ltd:-

Growth in the Indian paper industry is inextricately linked to structural economic factors like population growth rate, transition in demography, improvements in literacy rates, higher spending on education by Govts and phenomenal growth in print and media industry. Given free access to domestic market industry is exposed to the international competition.

Indian paper has also seen a paradigm shift in the demand pattern and consumer preferences. The increase in income level of middle income group and phenomenal growth in higher education also professional tie ups with global universities has changed the mindset and behaviours of consumers with their preferences. Demand for quality and cost effective paper is on increase at a fast pace. Increasing health consciousness post Covid-19 and subsequent environmental concerns will propel the demand of speciality papers viz high quality tissue with sanitization, face protection disposable but cheap masks and as a substitute of plastic in every walk of life, further for addressing hygienic concerns of masses.

Nepa Ltd stands at a cusp of its survival and turnaround in post Covid-19 upsurge will adversely impact the Indian economy. In pre Covid-19 scenario, Renovation Modernization Mill Development Plan (RMDP) was in full swing. Though, lockdown due to corona virus had once confined the works on to hold for quite a long time. Now with the flamboyant, present management and project leadership, and decisive lead role already undertaken by Administrative Ministry,

The way GoI and RBI have acted in times of post Covid-19 economic recovery path, hopefully with the containment protocols flood-gates of lockdown is being opened gradually and swiftly. This Force Majeure has adversely affected whole world exponentially so is Indian economy as well. Hopefully with the onset of restoration of works at full swing at Nepa Ltd, the RMDP works are to be completed at the earliest as trial-commissioning phase is at full swing. Company management has left no stone un-turned in resolving any of intricate issues w.r.t supplier, contractor, fabricator, workforce etc.

On completion of RMDP the Company will produce 100000 MT PA, Writing & Printing Paper and Newsprint paper depending on market demand and profitability equation. Roadmap for sourcing of input raw materials, chemicals and wire-fabrics etc is on cards. We are hopeful of its grand turnaround

For & on behalf of the Board

CMDE SAURAV DEB

Director

DIN: [09068496](#)

PRADEEP KUMAR NAIK

Director Finance

DIN: [08676709](#)

DATE: 09.12.2021
PLACE: New Delhi



NEPA LIMITED

Annexure to the Report of Board of Director Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN:	U21012MP1947GOI000636
ii.	Registration Date:	25.01.1947
iii.	Name of the Company :	NEPA LIMITED
iv.	Category/Sub-Category of the Company :	Public Company /Govt. Company/ Limited by Shares
v.	Address of the Registered Office and contact details :	Nepanagar, Distt. Burhanpur, MP-450221
vi.	Whether Listed Company :	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent:	Purva Sharegistry (I) Pvt Ltd 9 Shiv Shakti Industrial Estate, J.R. Boricha Marg, Lower Parel (E), Mumbai, 400011

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/service s	NIC Code of the Product/service	% total turnover of the company
1	Newsprint	4801	0

Note * During whole F.Y. both machines are remain shut due to RMDP, no operation except old stock in hand, sale of scrape, running petrol pump in township.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	There are no Subsidiary and Associate Companies.				



NEPA LIMITED

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	526477344	526477344	94.7	-	1047477344	1047477344	97.10	2.40
c) State Govt.(s)	-	30537290	30537290	05.2	-	30537290	30537290	2.83	-2.37
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	557014634	524014634	99.9	-	1078014634	1078014634	99.9	0.03
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter(A)=(A)(1)+(A)(2)	-	557014634	557014634	99.9	-	1078014634	1078014634	99.9	0.03
B. (1) Public Shareholding									
a) Mutual Funds/Banks/FI	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Venture Capital funds	-	-	-	-	-	-	-	-	-
e) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others(specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
(2) Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
Individual shareholders holding nominal share capital up to Rs. 1 lakh		654930	654930	0.1		654930	654930	0.06	-0.04



NEPA LIMITED

i) Category-wise Share Holding: i) Individual share holders holding nominal share capital in excess of Rs 1 lakh								
c) Others Hindu Undivided Family								
d) NRI's								
Sub-total(B)(2):-		654930	654930	0.1		654930	654930	0.06
Total Public Shareholding (B)=(B)(1)+(B)(2)		654930	654930	0.1		654930	654930	0.06
C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)		524669564	524669564	100		1078669564	1078669564	100

(ii) Shareholding of Promoters

Sr.No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
	President of India	526477344	94.7	-	1047477344	97.10	-	2.40
	Governor of MP	30537290	05.2	-	30537290	2.83	-	-2.37
	Total	557014634	99.9	-	1078014634	99.9		0.03

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Name of Shareholder	Shareholding at the Beginning / End of the Year		Change During The Year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	Increase/ Decrease	Reason	No. of shares	% of total shares of The company
1.	President of India	526477344	94.7	Increased by allotment of 488000000 Equity Share of Rs. 5 Each and reclassification of Shares 330000000 equity share of Rs. 10 each into 660000000 shares of Rs. 5 each	Allotment	1047477344	97%
2.	Governor of MP	30537290	5.2	No change During the Year		30537290	3%



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Top ten Shareholder's Name	Share holding at The beginning of the year		Change During The year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase/Decrease	Reason	No. of shares	% of total shares of The company
1	KAUSHIK S. BHATT	11000	0.00		-		11000	0.00
2	AMMAR AYAZ	5000	0.00		-		5000	0.00
3	RAJU BHANDARI	5000	0.00		-		5000	0.00
4	MAHARAJA PRAVINCHANDRA BHANJDE	4000	0.00		-		4000	0.00
5	NARINDRAKUR SACHDEVA	2500	0.00		-		2500	0.00
6	GOVIND PRASAD K. PODDAR	2200	0.00		-		2200	0.00
7	HIGHNESS M.K. MODINI DEVI	2000	0.00		-		2000	0.00
8	AMEET R. SUCHDE	2000	0.00		-		2000	0.00
9	YASHPAL KHANNA	1850	0.00		-		1850	0.00
10	CHUNILAL GAGALDAS SHAH	1580	0.00		-		1580	0.00

(v) Shareholding of Directors and Key Managerial Personnel: NIL

Sl. No.	Name of Directors and KMP (S/shri)	Shareholding at The beginning of the year			Change During The year			Cumulative Shareholding during the year	
		Date	No. of shares	%of total shares of the company	Date	Increase/D decrease	Reason	No. of shares	%of total shares of the company
NIL									

V. INDEBTEDNESS;

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(Rs. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits *	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3427.54	22998.2	-	26425.74
ii) Interest due but not paid	-	12621.4	-	12621.4
iii) Interest accrued but not due	-	1011.84	-	1011.84
Total (i+ii+iii)	3427.54	36631.44	-	40058.98
Change in Indebtedness during the financial year				
Addition		10157		
Reduction	3027.13	-	-	
Net Change Indebtedness				
At the end of the financial year				
Principal Amount	400.41	14326.60	-	14727.01
Interest due but not paid		15764.42	-	15764.42
Interest accrued but not due		1434.62	-	1434.62
Total (i+ii+iii)	400.41	31525.64	-	31926.05

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****(A). Remuneration to Managing Director, Whole-time Directors and/or Manager:****(Rs. in lakhs)**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager (S/Shri)		Total Amount
		Comde Saurav Deb (w.e.f 01.01.2021)	-	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.34	-	3.34
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission-as % of profit -others, specify...	-	-	-
5	Others, please specify(Sitting Fee)	-	-	-
	Total(A)	3.34		3.34
	Ceiling as per the Act	N.A.		

B. Remuneration to other directors: (In Rs.)

Sl.No.	Particulars of Remuneration	Name of Directors (S/shri)		Total Amount
1.	Independent Directors	Smt. Kalpana Shrivastava	Smt. Kamlawati Singh	-
	Fee for attending board/committee meetings	22000	22000	-
	Commission	-	-	0
	Others, please specify	-	-	0
	Total(1)	-	-	0
2	Other Non-Executive Directors	Shri H.S. Mohanta	Smt. Sukriti Likhi	
	Fee for attending board/committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	Total(2)	-	-	-
	Total(B)=(1+2)	-	-	-
	Total Managerial Remuneration	NA	N.A.	NA
	Over all Ceiling as per the Act			Sitting fee paid to independent directors is within overall ceiling as per Companies Act, 2013.



C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD: (Rs. In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount	
		CEO	Company Secretary & CFO		
			Ku. Purnima Parashar		
1	Gross salary	NIL	8.82	8.82	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		-	-	
	(b) Value of perquisites u/s 17(2) Income - tax Act, 1961		-	-	
	(c) Profits in lieu of salary under section 17(3) Income -tax Act, 1961		-	-	
2	Stock Option		-	-	
3	Sweat Equity		-	-	
4	Commission -as % of profit - others , specify...		-	-	
5	Others please specify		-	-	
	Total(C)		8.82	8.82	

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



Independent Auditor's Report

To,
The Members
NEPA Limited
Nepanagar (MP)

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of NEPA Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit & Loss and the Statement of Cash Flow for the year ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31st, 2021 and its loss, and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. No details are available with the management for share forfeited amounting to Rs.4.30 lakhs.
2. There are certain entries credited in Company's bank account but not accounted for by the management amounting to Rs. 0.75 lakhs. Consequently, the bank balance is understated and loss for the year or party balances are overstated to that extent. Further there is a balance of Rs. 0.30 Lakhs in SBI Nepanagar Branch (Account code 26794) appearing in the books, whereas the bank account is reported as closed.
3. Trade receivables amounting to Rs. 510.63 Lakhs (previous year Rs.398.40 Lakhs) outstanding for more than 6 months from the date on which they became due for payment have been classified as unsecured and doubtful. A provision of Rs. 287.51 Lakhs (previous year Rs. 288.73 Lakhs) for bad and doubtful debts has been made against such book debts. No confirmation is available for these trade receivables. In absence of such confirmation, we are unable to opine regarding the recoverability and provision required, if any, for the same.
4. The Raw Materials inventory carried at Rs.148.42 Lakhs (previous year Rs.148.42) of paper cutting & agricultural residue material for pulp has been valued at cost less provision for obsolescence @ 5%. As per management the same has more net realisable value as stated in the books. Adequate disclosure regarding this, as per AS-2 Valuation of Inventories has not been made in the Financial Statements.
5. The Company has not identified sale of petrol/ diesel as a separate reportable business segment for the reasons mentioned in Note No.34, which is contrary to AS-17 Segment Reporting.
6. The Company does not have any process of obtaining balance confirmation for trade payables, creditors for RMDP and security deposits. No details available with the Company regarding the schedule of payment to creditors and security deposit for Capital goods (RMDP Project) and therefore the classification of trade payable under current and non current is not possible.
7. The GST records of the Company are not reconciled with the balances appearing in the books of accounts, in absence of proper details we are unable to comment on the correctness of figures.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies



Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to the following, in respect of which our opinion is not modified: -

1. The Company has been implementing Revival Mill Development Plan (RMDP) as approved by BIFR and has dismantled various assets for setting up new plant and machineries. As per para 15 of Accounting Standard (AS)10-Property, Plant and Equipment, the Company needs to derecognise the carrying amount of assets on replacement in accordance with the de-recognition provisions. The Management has decided to identify and separate the same upon commissioning of RMDP new plant and completion of RMDP.
2. We draw attention to Note No.31.2 that no provision for impairment has been made by the management. Since successful implementation of Revival Mill Development Plan requires greater degree of estimation and forecasting, we have relied upon the information and explanation provided to us by the management.
3. We draw attention to note No. 32 present value of obligation of gratuity amounting to Rs. 1839.88 Lakh is recognized without reducing fair value of plan assets on the same. The net obligation after adjusting fair value of plan assets is Rs. 435.39 Lakhs as against the total provision of Rs. 1839.88 Lakhs in the Balance Sheet. The Management has decided not to reverse the provision of Rs. 1839.88 Lakhs in the Balance Sheet. The Management has decided not to reverse the provision already created in books on a conservative basis.

Material Uncertainty Related to Going Concern

We draw your attention to Note No.39 to the financial statements which indicate that the net worth of the Company has been completely eroded and it has accumulated losses of Rs. 54,471.28 Lakhs. The net current liability exceeds its current assets by Rs. 10,989.98 Lakhs and there are no positive working capital funds.

The financial statements of the Company have been prepared on going concern basis as the Company has already commenced revival plan known as RMDP as per the scheme approved by BIFR. The going concern is solely & entirely dependent on successful implementation of the revival project.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereupon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Company's Auditor Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Company's Annual Report, if we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control with reference to financial statements relevant to the audit to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the directions issued by the Comptroller and Audit General of India in terms of sub regulation (5) of section 143 of the Companies Act, 2013 we give a report on such directions in Annexure B
3. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and 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 account 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, except as stated in the Basis for Qualified Opinion the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matter described in the Basis for Qualified Opinion paragraph above and the going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) The provisions of Section 164(2) of the Act are not applicable to directors of the Company being a government company.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above and in our separate Report in Annexure C below.
 - h) With respect to the adequacy of the internal financial controls with reference to financial statements of the company, refer to our separate Report in "Annexure C". Our report expresses a modified opinion on internal financial controls with reference to financial statements.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the provisions of Section 197 of the Companies Act, 2013 are not applicable to a Government Company as per Notification No. GSR 463(E) dated 05.06.2015.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note.38 to the financial statements.
 - ii. The Company do not have any long-term contracts including derivative contracts.
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company

Place: New Delhi Camp

Dated:09/12/2021

For Fadnis & Gupte LLP
Chartered Accountants
FRN 006600C
(CA. Vikram Gupte)
Partner
M.No. 074814
UDIN:2174814AAAAGG9855

**Annexure –'A' to the Independent Auditor's Report****As referred to in our Independent Auditor's Report of even date to the members of NEPA Limited for the year ended March 31, 2021**

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
- (b) As informed and explained to us, the management, during the year, has physically verified the items of the property, plant and equipment of the company at reasonable interval and no significant discrepancies were noticed on such physical verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As informed and explained to us the inventory has been physically verified during the year by the management. No material discrepancies were noticed on such physical verification.
- (iii) As explained to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and investments covered within the provisions of section 185 and 186 of the Act.
- (v) According to the information and explanations given to us, the company has not accepted any deposits under sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) As required under section 148(1) of the Act, the Company makes and maintain detailed cost records. However in the absence of any manufacturing activity during the year no detailed cost records have been maintained for current year.
- (vii)
- (a) According to the books of accounts and records examined by us according to generally accepted auditing practices in India, in our opinion, the company has not been regular in depositing undisputed statutory dues. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Custom Duty, Goods & Service Tax Act, professional tax and other material statutory dues which have remained outstanding as on 31st March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-tax and Goods and Service Tax, which have not been deposited on account of any dispute except as mentioned below:-

Name of the Statute	Period to which Dispute Relates	Amount Disputed (Rs. In Lakhs)	Forum where the dispute is pending
Entry Tax	2008-09	4.49	M.P. Commercial Tax Appellate Board, Indore
VAT Tax	2009-10	75.65	M.P. Commercial Tax Appellate Board
Entry Tax	2009-10	7.16	M.P. Commercial Tax Appellate Board
VAT Tax	2010-11	10.42	M.P. Commercial Tax Appellate Board
Property Tax and Interest thereon	1993-94 to 2019-20	321.55	M.P.High Court, Jabalpur Bench
Mandi tax	1998	35.95	M.P. High Court, Jabalpur



NEPA LIMITED

- (viii) The Company has defaulted in repayment of loans or borrowings to Government as at balance sheet date, the details of which are mentioned below;

Particulars	Total amount (including interest and penal interest)	Date of Default
NO.7(10)/2011 PE VII-I) DT 02-07-2012	30,91,06,034/-	6th JULY, 2017
NO.7(10)/2011 PE VII-II) DT 02-07-2012	8,54,21,685/-	6th JULY, 2017
NO.7(10)/2011 PE VII-I) DT 18-03-2013	30,10,80,384/-	23rd MARCH, 2018
NO.7(10)/2011 PE VII-II) DT 18-03-2013	3,45,41,757/-	23rd MARCH, 2018
NO.7(9)/2013/PE-VII (I) DT 19-09-2013	44,29,41,526/-	20th JULY, 2018
NO.7(9)/2013/PE-VII (II) DT 16-09-2013	8,28,66,566/-	20th JULY, 2018
NO.7(9)/2013/PE-VII (I) DT 12-03-2014	27,11,55,066/-	15th MARCH, 2019
NO.7(9)/2013/PE-VII (I) DT 12-03-2014	2,94,73,375/-	15th MARCH, 2019
NO.7(13)/2013/PE-VII DT 07-03-2014	41,69,03,248/-	12th MARCH, 2020
NO.7(12)/2014/PE-VII DT 08-10-2014	35,44,34,698/-	10th OCTOBER, 2019
NO.7(12)/2014/PE-VII DT 08-10-2014	42,37,61,233/-	10th OCTOBER, 2019

- (ix) Paragraph 3(ix) of the Order is not applicable to the Company in respect of initial public offer or further public offer.
- (x) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year under audit.
- (xi) Being a Government Company, Section 197 of the Companies Act, 2013 is not applicable.
- (xii) In our opinion, the company is not a chit fund or a Nidhi mutual benefit fund/ society. Therefore, the provisions of clause (xii) of Para 3 of the said order are not applicable to the company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: New Delhi Camp
Dated: 09/12/2021

For Fadnis & Gupte LLP
Chartered Accountants
FRN 006600C
(CA. Vikram Gupte)
Partner
M.No. 074814
UDIN:2174814AAAAGG9855

**Annexure 'B'**

Audit opinion on the additional matters directed by the Comptroller and Auditor General pursuant to powers given in Section 143(5) of the Companies Act 2013.

Sr.No	CAG Directions	Auditor's Observations
1	Whether the company has a system in place to process all the accounting transaction through IT system? If yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications if any, may be stated.	The company uses Fox Pro ERP for recording the accounting transactions. All the accounting transactions are processed through such IT system. During the course of our audit we have not come across any financial transaction processed outside IT System and therefore the we are unable to ascertain the integrity of the accounts along with it's financial implication if any.
2	Whether there is any restructuring of an existing loan or any cases of waiver / write off of debts/loans / interest etc. Made by lender to the company due to company's inability to repay the dues if yes, the financial impact may be stated.	There are no such cases.
3	Whether fund received/ receivable for specific schemes from central/state agencies were properly accounted for/ utilized as per its term and condition? List the case of deviation	Funds have been received for specific purposes from Central/State government and the funds are utilized as per schemes and terms and conditions.

Place: New Delhi Camp

Dated: 09/12/2021

For Fadnis & Gupte LLP
Chartered Accountants
FRN 006600C
(CA. Vikram Gupte)
Partner
M.No. 074814
UDIN: 2174814AAAAGG9855



Annexure 'C'

Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of **NEPA Limited**, (“the Company”), as on 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts



and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as on March 31 2021:

- a) The Company's internal financial controls over control of Inventory comprising of raw materials, loose tools, spare parts and finished goods appearing in the financial statements needs improvement in terms of regular monitoring of non/slow moving, obsolete inventory items.
- b) The process of balance confirmations from the trade receivables, trade payables and advances given by the company needs to be developed; the Company still needs to assess the correct position of the receivables in terms of their recoverability.
- c) The accounting system of the Company is not able to provide ageing of recovery of house rent classified under Accrued Income Receivable.
- d) The Company is required to undertake the process of reconciliation of account balances with the vendors of the RMDP project as due to the long tenure of the project and substantial expenditure by the Company.
- e) The process of recording bank transactions is inadequate. Bank Reconciliation Statements not prepared on regular basis. Entries are not updated on real time basis. There is substantial delay in accounting the bank entries. Regular entries are not made in accounting software, all the entries are consolidated and passed on 31/03/2021 due to which regular bank Reconciliation process will not be completed.
- f) The cheque book register is not maintained by the Department as all the entries are directly fed in computer system. There is no control if the cheques are issued and not entered in the system.
- g) There are long outstanding opening balances appearing in the books for which no details are available with the company. The same needs to be written off/back from the books.
- h) Various financial information is available with different sections, the coordination required for preparation of financial statements needs to be strengthened.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Except as cases listed above the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2021. The internal control with reference to financial



NEPA LIMITED

statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”, and except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2021.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 of financial statements of the Company, and these material weaknesses do not affect our qualified opinion on the standalone financial statements of the Company.

Place: New Delhi Camp
Dated: 09.12.2021

For Fadnis & Gupte LLP
Chartered Accountants
FRN 006600C
(CA. Vikram Gupte)
Partner
M.No. 074814
UDIN: 2174814AAAAGG9855



NEPA LIMITED

NEPA LIMITED
NEPANAGAR (M.P.)
CIN:U21012MP1947GOI000636
BALANCE SHEET AS ON 31ST MARCH, 2021

(Rs. In Lakhs)

	NOTE	AS ON 31.03.2021	AS ON 31.03.2020
I EQUITY AND LIABILITIES			
1) SHAREHOLDER'S FUNDS			
(a) SHARE CAPITAL	2	61,591.78	37,191.78
(b) RESERVES & SURPLUS	3	(54,471.28)	(49,081.06)
2) SHARE APPLICATION MONEY PENDING FOR ALLOTMENT	4	3,000.00	18,105.00
3) NON-CURRENT LIABILITIES			
(a) LONG-TERM BORROWINGS	5	10,157.00	4,169.60
(b) LONG TERM PROVISIONS	6	2,282.42	3,126.72
4) CURRENT LIABILITIES			
(a) SHORT-TERM BORROWINGS	7	400.40	3,427.54
(b) TRADE PAYABLES	8	995.50	7,778.08
(d') OTHER CURRENT LIABILITIES	9	34,384.08	29,737.50
(c) SHORT TERM PROVISIONS	10	416.42	86.01
GRAND TOTAL		58,756.33	54,541.17
II ASSETS			
1) NON-CURRENT ASSETS			
(a) PROPERTY, PLANT & EQUIPMENT	11		
(i) TANGIBLE ASSETS	11a	1,499.31	1,575.41
(ii) CAPITAL WORK IN PROGRESS	11b	31,691.75	25,203.48
(b) LONG TERM LOANS & ADVANCES	12	329.10	979.24
(c) OTHER NON CURRENT ASSETS	13	29.74	29.74
2) CURRENT ASSETS			
(a) INVENTORIES	14	532.84	587.23
(b) TRADE RECEIVABLES	15	317.65	234.24
(c) CASH & BANK BALANCES	16	20,301.55	17,299.08
(d) SHORT- TERM LOANS & ADVANCES	17	3,755.26	8,349.44
(e) OTHER CURRENT ASSETS	18	299.12	283.31
GRAND TOTAL		58,756.33	54,541.17
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	02 TO 47		
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR FADNIS & GUPTA LLP CHARTERED ACCOUNTANTS FRN: 006600C		FOR AND ON BEHALF OF THE BOARD OF DIRECTORS	
CA VIKRAM GUPTA PARTNER	PRADEEP KUMAR NAIK DIRECTOR FINANCE	Cmdr. SAURAV DEB CHAIRMAN CUM MANAGING DIRECTOR	
M.NO. 074814	(ADD. CHARGE) DIN: 08676709	DIN: 09068496	
PLACE: New Delhi DATE: 09/12/2021	KU PURNIMA PARASHAR COMPANY SECRETARY M.No. A36079	NIDHI CHHIBBER NOMINEE DIRECTOR DIN: 03588215	



NEPA LIMITED

NEPA LIMITED
NEPANAGAR (M.P.)
CIN:U21012MP1947GOI000636

(Rs. In LAKHS)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2021

PARTICULARS	NOTE	Period ended on 31st March 2021	Period ended on 31st March 2020
I REVENUE FROM OPERATIONS	19	1,736.63	1,291.74
II OTHER INCOME	20	1,300.00	1,776.54
TOTAL REVENUE		3,036.63	3,068.28
III EXPENDITURE			
(a) COST OF GOODS SOLD	21	1,076.97	1,062.39
(b) CHANGES IN INVENTORIES OF FINISHED GOODS/ STOCK IN PROCESS AND STOCK IN TRADE	22	35.42	92.32
(c) EMPLOYEE BENEFIT EXPENSES	23	2,744.51	5,131.90
(d) FINANCE COST	24	3,707.65	2,916.78
(e) DEPRECIATION & AMORTIZATION (INCLUDES PRIOR PERIOD EXPENSE OF RS. 0.82 LAKHS (NET) PREVIOUS YEAR 0.15 Lakhs)	11	83.08	93.87
(f) OTHER EXPENSES	25	779.16	896.80
TOTAL EXPENSES		8,426.79	10,194.04
IV PROFIT/ (LOSS) BEFORE EXCEPTIONAL & EXTRA- ORDINARY ITEMS		(5,390.17)	(7,125.76)
V EXCEPTIONAL/EXTRA- ORDINARY ITEMS		-	-
VI PROFIT/(LOSS) BEFORE TAX		(5,390.17)	(7,125.76)
VII TAX EXPENSE			
CURRENT TAX		-	-
DEFERRED TAX		-	-
VIII PROFIT/(LOSS) AFTER TAX		(5,390.17)	(7,125.76)
EARNING PER EQUITY SHARE			
BASIC		(0.96)	(1.03)
DILUTED		(0.96)	(1.03)

SIGNIFICANT ACCOUNTING POLICIES
NOTES TO ACCOUNTS

1
02 TO 47

AS PER OUR REPORT OF EVEN DATE
ATTACHED
FOR FADNIS & GUPTE LLP
CHARTERED ACCOUNTANTS
FRN: 006600C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CA VIKRAM GUPTA
PARTNER

M.NO. 074814

PLACE: New Delhi
DATE: 09/12/2021

PRADEEP KUMAR NAIK
DIRECTOR FINANCE

(ADD. CHARGE)
DIN: 08676709

PURNIMA PARASHAR
COMPANY SECRETARY

M.No. A36079

Cmdr. SAURAV DEB
CHAIRMAN CUM MANAGING
DIRECTOR

DIN: 09068496

NIDHI CHHIBBER
NOMINEE DIRECTOR

DIN:03588215



NEPA LIMITED

NEPA LIMITED
NEPANAGAR (M.P.)
CIN : U21012MP1947GOI000636

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2021

(Rs. In Lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Extra Ordinary Items	(5,390.17)	(7,125.76)
Adjustment for:		
Depreciation	83.08	93.86
Debtors Written off	9.13	-
Provisions & Liabilities Written Back	(102.90)	(10.11)
Provisions on Inventories Written Back	(75.28)	(77.33)
Obsolescence Allowance	15.55	24.67
(Profit)/ Loss on sale of Fixed Assets	70.54	(566.44)
Interest Earned	(758.78)	(555.79)
Interest & Finance Charges	3,707.65	2,894.15
Intangible Assets Written off	-	0.25
Intangible Assets under Development written off	-	16.07
	(2,441.16)	(5,306.41)
Operating Profit (before working Capital changes)		
(Increase) / Decrease Short Term Loan & Advances	4,594.19	(1,799.23)
(Increase) / Decrease Trade and other Receivables	(92.55)	(114.06)
Increase / (Decrease) Trade payables	(6,782.58)	(1,374.10)
Increase / (Decrease) in Provisions	330.41	(159.67)
(Increase) / Decrease Inventories	129.66	173.75
(Increase) / Decrease in other Current Assets	(15.82)	(35.74)
Increase / (Decrease) in Other Current Liabilities	4,646.59	4,149.19
(Increase) / Decrease in Balance of Escrow Account	(2,663.66)	(10,145.71)
	146.24	(9,305.57)
Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES (A)	(2,294.92)	(14,611.99)
B. Cash flow from Investing activities		
(Purchase)/ Sale of Property, Plant & Equipments	(77.52)	620.39
(Increase)/Decrease in Fixed Deposit	(193.37)	(30.80)
Interest Earned	758.78	555.79
(Increase)/Decrease in Long Term Loans & Advances	650.14	(84.97)
Investment in RMDP Project	(6,488.27)	(6,036.39)
CASH GENERATED FROM INVESTING ACTIVITIES (B)	(5,350.24)	(4,975.98)
C. Cash flow from Finance Activities		
Bank Overdraft	(3,027.13)	958.63
Proceeds of GOI Loan	5,987.40	3,482.40
Increase/ (Decrease) in Long Term Provisions	(756.96)	-
Interest and Financial charges paid	(3,707.65)	(2,894.15)
Proceeds from Fresh issue of Shares	9,295.00	18,105.00
CASH GENERATED FROM FINANCING ACTIVITIES (C)	7,790.60	19,651.88
Net inflow/outflow in cash & cash equivalents (A-B-C)	145.44	63.91
Add:- Opening Cash and Cash equivalents	289.17	225.26
Closing Cash & Cash equivalents	434.61	289.17

Note :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statements
- The Cash & Bank Balances as per Balance Sheet Rs.20,301.55 Lakhs include Cash & Cash Equivalents Rs.434.61 Lakhs (Previous Year Rs.289.17 Lakhs) and Other Bank Balances Rs.19866.94 Lakhs (Previous Year Rs.17009.91 Lakhs).
- Previous year's figures have been regrouped/reclassified wherever necessary.

SIGNIFICANT ACCOUNTING POLICIES
NOTES ON FINANCIAL STATEMENTS

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR FADNIS & GUPTA LLP CHARTERED ACCOUNTANTS FRN: 006600C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**CA VIKRAM GUPTA
PARTNER
M.NO. 074814**

**PRADEEP KUMAR NAIK
DIRECTOR FINANCE
(ADD. CHARGE)
DIN: 08676709**

**CMDE. SAURAV DEB
CHAIRMAN CUM MANAGING
DIRECTOR
DIN: 09068496**

**PLACE: New Delhi
DATE: 09/12/2021**

**PURNIMA PARASHAR
COMPANY SECRETARY
M.No. A36079**

**NIDHI CHHIBBER
NOMINEE DIRECTOR
DIN:03588215**



Notes on Financial Statements for the year ended on 31st March, 2021

Note 1

Corporate Information

Nepa Limited (“the company”) is a Newsprint manufacturing company of India, which is located at Neapanagar, Dist. Burhanpur (M.P.) with an initial installed capacity of 30,000 TPA. The Prime Minister Late Shri Pandit Jawaharlal Nehru dedicated the mill to the nation on 26th April 1956. The company has expanded in stages to the present installed capacity of 88,000 TPA.

The technology & machinery are over five decades old and there are constraints/bottlenecks in operations. On disconnection of power supply by MPEB (Madhya Pradesh Electricity Board) in 1996 and due to acute shortage of forest based raw material, the mill switched over to recycling of recovered paper since 1997, without adding the DIP (De-inking plant) necessary for processing recovered paper having ink due to which the company continuously ran into losses.

The Company is presently implementing GOI approved Revival and Mill Development Plan (RMDP) sanctioned by BIFR in March 2014. Under RMDP, a new 300 TPD De-inking plant is currently being installed and Paper Machine & Captive Power Plant are being renovated to revive the company and reduce the financial distress.

SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation and Presentation

The financial statements are prepared and presented on the basis of going concern under historical cost basis and on the accrual basis of accounting in accordance with the accounting principles generally accepted in India (‘Indian GAAP’) and comply with the Accounting Standards specified u/s 133 of Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rule, 2014.

The accounting policy has been consistently applied by the company and is consistent with those used in the previous years. All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the schedule III based on the nature of product and the time between the acquisition of assets for processing and their realization in Cash & Cash equivalent. The company has ascertained its operating cycle as 12 months for the purpose of current/non-current classifications of assets & liabilities.

2. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (“GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

The Company has considered the impact of global pandemic COVID 19 on the estimates made by the Company and suitable disclosure have been made in the financial statements wherever necessary.

3. Property, Plant and Equipment (PPE)

(i) Recognition and Measurement

PPE is measured on initial recognition at cost net of taxes/duties, credits availed, if any, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE includes borrowing costs directly attributable to acquisition, construction or production of qualifying assets. Qualifying assets are assets which necessarily take a substantial period of time to get ready for its intended use.

Machinery spares that meet the definition of PPE are capitalized and depreciated over the useful life of the principal item of the asset.

Spare parts procured along with the Plant & Machinery or subsequently which meet the recognition criteria,



are capitalised and added in the carrying amount of the asset of such item. The carrying amount of those spare parts that are replaced is derecognised when no future economic benefit are expected from their use or upon disposal. Other machinery spares are treated as stores & spares forming part of inventories.

Loose Tools are charged to consumption in the year of issue, irrespective of their life.

(ii) Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

(iii) De-recognition

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the item. Any gain or loss arising on disposal or retirement of item of PPE is determined as the difference between the sale proceeds and the carrying amount of the item and is recognized in the statement of profit and loss in the period in which the PPE is derecognized.

(iv) Depreciation

Depreciation is calculated on cost of items of property, plant and equipment on 95% of the acquisition cost as per Companies Act using the straight-line method. Remaining 5% of the value is retained in the books.

However, in case of the following assets, whose useful life is determined based on technical assessment by the management has been taken as under:

Class of Asset	Period for Depreciation
Plant and Machinery	18 years
Railway Siding	18 years

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

4. Intangible Assets

Acquired intangible

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in statement of profit and loss as and when incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Derecognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

**5. Capital Work-in-Progress**

- (i) Expenditure incurred on assets under construction (including RMDP project) is carried at cost under Capital Work-in Progress. Such costs comprise purchase price of asset including import duties and non-refundable taxes after deducting trade discounts and rebates and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- (ii) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on upgradation, among others of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under 'Capital Work-in-Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects.
- (iii) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the projects is capitalised and carried under 'Capital work –in- Progress' and subsequently allocated on systematic basis over major assets, other than land and infrastructure facilities, on commissioning of projects, keeping in view the 'attributability' and the 'Unit of Measure' concepts in AS 16-'Property,Plant & Equipment'. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit & Loss.

6. Inventories

- (i) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.
- (ii) The cost formulas used is Weighted Average Cost in case of raw material, stores and spares, packing materials and other products.
- (iii) Raw material in transit, stores in transit and under inspection, stock in process, inventory is valued on the formula of direct attributed cost.
- (iv) Stock of coal cinder and scrap are valued at estimated realizable value. Estimated realizable value is the average rate of the quantity sold during the last quarter of the financial year. In case, no sales takes place in the last quarter the average rate of previous quarter is considered for valuation.
- (v) No adjustment is made for self-consumption of newsprint and re-pulping of rejected and old stock of newsprint.
- (vi) Shortage/excess found during physical verification of inventories is adjusted to consumption.
- (vii) In respect of items of Stores and Spares excluding insurance spares which have not moved for more than five years, full provision for obsolescence allowance is created.

7. Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies at the year end are translated at the closing exchange rate and the resultant exchange differences are recognized in the Profit & Loss Account.

8. Revenue Recognition

Revenue is recognized net of Goods and Service Tax, rebates and discounts to the extent it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**9. Research and Development**

Research & Development expenses, expenses on upkeep of the lab facility and related staff salary expenses are charged to the Statement of Profit and Loss under the Research & Development Expenditure.

10. Subsidies and Grants

Subsidies and Grants of revenue nature are recognized where there is reasonable assurance that the enterprise will comply with the conditions attached to them and where such benefits have been earned by the enterprise and it is reasonably certain that the ultimate collection will be made. Subsidies received from M.P. Housing Board have been shown net off amount transferred to the Statement of Profit & Loss. Grant received from MP Govt. against the salary of school staff has been net off from the school expenses shown under other expenses in Statement of Profit & Loss during the year.

11. Claim against contract of purchase and sales

Claims arising because of escalation, liquidated damages, interest receivable or payable from/ to vendors/contractors for supplies and services are accounted for on final settlement, wherever not provided for in the terms of respective Purchase/Work Order. Similar claims in respect of contracts for sales are accounted for on the basis of final settlement.

12. Allocation of expenses

Coal, Stores and Spares are allocated to various expenditure heads like power generation, manufacturing expenses, repairs and maintenance on actual consumption basis. Similarly, establishment expenses are allocated to township and social overhead and others on actual basis.

13. Borrowing cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

14. Employee Benefit Expenses**Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognized in the statement of Profit and Loss as an expense at the undiscounted amount on an accrual basis.

Defined Benefit Plans

- (i) Company's gratuity benefit scheme is a defined benefit plan. The company's net obligation in respect of the gratuity scheme is calculated by estimating the amount of future benefits that employees would earn in return of their services in the current and prior period. The benefit is discounted to determine its present value and fair value of plan assets is deducted.
- (ii) The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the unit credit method.
- (iii) The obligation is measured at the present value of estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plan are based on the market yields on Govt. securities as on the Balance Sheet date.
- (iv) Actuarial gain and losses are recognized immediately in the Statement of Profit & Loss made at the end of the year.
- (v) The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees services.

**Defined Contribution Plans**

The Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the Statement of Profit & Loss during the period in which the employee renders the related service. Further the company pays Employees D-link Insurance for employees as a voluntary contribution.

15. Cash Flow Statement

The cash flow statement is prepared using the "Indirect method set out in Accounting Standard-3. "Cash flow statement" which presents cash flow from operating, investing and financing activities of the company.

16. Taxation

- (i) Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities using the applicable tax rates and tax laws.
- (ii) Deferred tax is to be recognised in the books for the all the timing differences. This is based on the principle that the financial statements for a period should recognise the tax effect, whether current or deferred, of all the transactions occurring in that period.

However deferred tax assets should be recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Thus the company has not provided for Deferred Tax resulting from timing differences between taxable income and accounting income due to carried forward business loss and unabsorbed depreciation as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

17. Provisions, contingent liabilities and contingent assets

- (i) Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.
- (ii) A contingent liability is a possible obligation that arise from past event whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare case where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize contingent liabilities but discloses its existence in the financial statements.
- (iii) Contingent Assets are neither recognized nor disclosed in the financial statements

18. Earning Per Equity Shares

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

19. Leases

The Company as a lessee classifies leases, where the lessor effectively retains substantially all the rights and benefits of ownership over the lease term. Operating lease rentals are recognized as an expense over the lease period.



20. Operating Cycle

The Company presents assets and liabilities in the Balance Sheet based on current / non-current classification based on its operating cycle. The Company has identified twelve months as its operating cycle.

A. An asset is treated as current when it is:

- a. Expected to be realised or intended to be sold or consumed in normal operating cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realised within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

B. A liability is current when:

- a. It is expected to be settled in normal operating cycle;
- b. It is held primarily for the purpose of trading;
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

21. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The preparation of financial statements requires management to make estimates assumptions and judgments that affect the reported balances of assets and liabilities and disclosures as at the date of the financial statements and the reported amounts of income and expenditure for the periods presented. Actual results may differ from the estimates considering different assumptions and conditions.

Estimates and underlying assumptions are reviewed on ongoing basis. Impact on account of revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

The Management has considered the possible effects of global pandemic Covid-19 while preparing the Financial Statements (**Ref. note 45**)

(i) Recoverability of Trade receivables

The impairment provision of Trade receivables are based on assumptions about risk of default and period outstanding. The Company uses judgments in making assumptions based on the Companies past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ii) Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.



NEPA LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

NOTE NO. 02

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SHARE CAPITAL

(Rs. In Lakhs)

PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
I. AUTHORISED SHARE CAPITAL		
a) 108,00,00,000 Equity Share of Rs.5/- each (Previous year 52,47,67,344 Equity Share of Rs.5/- each and 27,76,16,328 Equity Share of Rs.10/- each)	54,000.00	54000.00
b) 15,08,300, 7% Non- Cumulative Preference Share of Rs. 1000 each. (Previous Year 15,08,300, 7% Non- Cumulative Preference Share of Rs. 10/- each) (REFER NOTE NO. 30 OF NOTES TO ACCOUNTS)	15,083.00 <hr/> 69,083.00	15,083.00 <hr/> 69,083.00
II. ISSUED, SUBSCRIBED & PAID UP CAPITAL		
a) NIL Equity Share of Rs. 10/- each (Previous year 3,30,00,000 Equity Shares of Rs. 10/- each Fully Paid up) (Refer note 3)	-	3,300.00
107,86,69,564 Equity Shares of Rs. 5/- each Fully Paid up (Previous Year 52,46,69,564 Equity Shares of Rs. 5/- each)	53,933.48	26,233.48
<u>Add: Forfeited Equity Shares</u> 97,780 (97,780) Equity Share of Rs.10/-each Fully Paid up	4.30	4.30
	<hr/> 53,937.78	<hr/> 29,537.78
b) 7% Non Cumulative Preference Share 7,65,400 of Rs. 1,000/- each (Previous Year 7,65,400 preference share of Rs. 1,000/- each)	7,654.00	7,654.00
Total (a+b)	<hr/> 61,591.78	<hr/> 37,191.78
REFER NOTE NO. 27.1.6 OF NOTES TO ACCOUNTS		



NEPA LIMITED

A. Par Value per Share		
52,46,69,564 Equity Shares	RS. 5/Share	RS. 5/Share
55,40,00,000 Equity Shares	RS. 5/Share	-
3,30,00,000 Equity Shares	-	RS. 10/Share
7% 7,65,400 Non Cumulative Preference Share	RS. 1000/Share	RS. 1000/Share

B. RECONCILIATION OF NUMBER OF SHARE OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD

<u>PARTICULARS</u>	<u>AS ON 31.03.2021</u>	<u>AS ON 31.03.2020</u>
(I) EQUITY SHARES OF Rs. 10/- EACH FULLY PAID UP		
OPENING BALANCE	33,000,000	524,669,564
ADD: ISSUED DURING THE YEAR	-	33,000,000
LESS: SPLIT TO SHARE OF RS. 5 DURING THE YEAR	(33,000,000)	(524,669,564)
CLOSING BALANCE	-	33,000,000
(II) EQUITY SHARE OF RS.5/- EACH FULLY PAID UP		
OPENING BALANCE	524,669,564	-
	66,000,000	524,669,564
ADD: SHARES CONVERTED FROM RS. 10/- EACH TO RS. 5/- DURING THE YEAR		
ADD: FRESH ISSUE DURING THE YEAR	185,900,000	
ADD: SHARES ALLOTTED DURING THE YEAR	302,100,000	
LESS: REDUCED DURING THE YEAR	-	-
CLOSING BALANCE	1,078,669,564	524,669,564
(III) 7% NON-CUMULATIVE PREFERENCE SHARES OF Rs.1000/- EACH FULLY PAID UP		
OPENING BALANCE	765,400	600,000
ADD: ISSUED DURING THE YEAR	-	165,400
LESS: REDUCED DURING THE YEAR	-	-
CLOSING BALANCE	765,400	765,400
	1,079,434,964	558,434,964

NOTE: 1. COMPANY HAS FORFEITED 97780 NO. OF EQUITY SHARES (ORIGINAL AMOUNT PAID UP WAS RS. 10/SHARE) IN EARLIER YEARS DUE TO NON-PAYMENT.

2. DURING THE YEAR COMPANY HAS ISSUED FRESH SHARES OF 18.59 CRORES OF RS. 5/- EACH. DURING THE YEAR COMPANY HAS ALLOTTED 30.21 CRORE EQUITY SHARES FOR IMPLEMENTATION OF RMDP FROM SHARE APPLICATION PENDING ALLOTMENT AT RS. 5/- EACH.

3. DURING THE YEAR THE COMPANY HAS CONVERTED ORIGINALLY ISSUED 3.30 CRORES SHARES OF RS. 10 EACH TO SHARES OF RS.5 EACH NOW AGGREGATING TO 6.60 CRORE SHARES.

C. THE COMPANY HAS TWO CLASS OF SHARES. DETAILS OF WHICH ARE AS FOLLOWS:

EQUITY SHARES @ RS.5/SHARE- EACH HOLDER OF EQUITY SHARE IS ENTITLED TO ONE VOTE PER SHARE. IN THE EVENT OF LIQUIDATION OF THE COMPANY, THE HOLDERS OF EQUITY SHARES WILL BE ENTITLED TO RECEIVE ANY OF THE REMAINING ASSETS OF THE COMPANY, AFTER DISTRIBUTION OF ALL PREFERENTIAL AMOUNTS.

NON CUMULATIVE PREFERENCE SHARES @ Rs. 1,000/SHARE- PREFERENCE SHAREHOLDER DO NOT HAVE RIGHT TO VOTE BUT THEY HAVE PREFERENCE IN PAYMENT OF DIVIDEND AND ENTITLED TO RECEIVE ANY OF THE REMAINING ASSETS OF THE COMPANY, BEFORE DISTRIBUTION TO EQUITY SHAREHOLDERS. ALSO HAVE RIGHT TO RECEIVE DIVIDEND (MISSED IN PAST DUE TO LOSSES OF COMPANY) AT THE TIME WHEN PROFIT ARISES.



NEPA LIMITED

C. SHAREHOLDING OF MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY				
PARTICULARS	NO. OF SHARES	% OF SHARE HOLDING	NO. OF SHARES	% OF SHARE HOLDING
	31.03.2021		31.03.2020	
EQUITY SHARES (Rs. 10/- EACH FULLY PAID UP)				
EQUITY SHARES OF RS.10/- EACH				
(I) CENTRAL GOVERNMENT	-	-	493,477,344	93.95%
(II) GOVT. OF MADHYA PRADESH	-	-	30,537,290	5.82%
EQUITY SHARES OF RS.5/- EACH				
(I) CENTRAL GOVERNMENT	1,047,477,344	97.11%	-	-
7% NON-CUMULATIVE PREFERENCE SHARES				
(III) CENTRAL GOVT. PREFERENCE SHARES	765,400	100.00%	600,000	100.00%
NOTE NO. 03				
=====				
RESERVES AND SURPLUS				
PARTICULARS	AMOUNT AS ON		AMOUNT AS ON	
	31.03.2021		31.03.2020	
A CAPITAL RESERVE				
OPEINING BALANCE	-			10.07
ADD: ADDITION/(TRANSFER) DURING THE YEAR*	-			(10.07)
CLOSING BALANCE	-			-
B SUBSIDY RESERVE				
OPEINING BALANCE	0.54			0.57
ADD: ADDITION/(TRANSFER) DURING THE YEAR	(0.05)			(0.03)
CLOSING BALANCE	0.49			0.54
C NET DEFICIT IN STATEMENT PROFIT & LOSS				
NET DEFICIT AT THE BEGINNING OF THE YEAR	(49,081.60)			(68,189.31)
ADJUSTMENT TOWARDS REDUCTION IN SHARE CAPITAL ACCOUNT	-			26,233.47
	(49,081.60)			(41,955.84)
ADD: PROFIT/ (LOSS) INCURRED DURING THE YEAR	(5,390.17)			(7,125.76)
NET DEFICIT AT THE END OF THE YEAR	(54,471.77)			(49,081.60)
TOTAL	(54,471.28)			(49,081.06)
NOTE 03.01:				
TRANSFER OF 0.05/- LAKHS (PREVIOUS YEAR RS. 0.03/- LAKH) OUT OF SUBSIDY RESERVE RECEIVED FROM M. P. HOUSING BOARD TOWARS 100 REGULAR TWO ROOM TENANTS REPRESENTS THE PROPORTIONATE PART WITH REFERENCE TO LIFE OF ASSETS CREATED UNDER THE SCHEME.				



NEPA LIMITED

NOTE NO. 04

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SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
a) EQUITY SHARE APPLICATION PENDING FOR ALLOTMENT	-	15,105.00
b) 7% NON CUMULATIVE PREFERENCE SHARE PENDING FOR ALLOTMENT (REFER NOTE. 27.1.6 OF NOTES TO ACCOUNTS)	3,000.00	3,000.00
TOTAL	<u>3,000.00</u>	<u>18,105.00</u>

NOTE NO. 05

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LONG-TERM BORROWINGS

PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
UNSECURED LOANS		
GOVERNMENT OF INDIA (PLAN & NON PLAN LOAN)	10,157.00	4,169.60
TOTAL	<u>10,157.00</u>	<u>4,169.60</u>

Terms of Repayment of Long Term Borrowings

(Amount in Lakhs)

Particulars	Total tenure of Loan	Frequency of	Amount Outstanding	Rate of Interest
7(12)/2014/PE-VII DT 20-01-2020	5 Years	Yearly	3,826	13.50%
7(12)/2014/PE-VII DT 23-04-2020	5 Years	Yearly	720	13.50%
7(12)/2014/PE-VII DT 17-07-2020	5 Years	Yearly	1,224	13.50%
7(12)/2014/PE-VII DT 26-08-2020	5 Years	Yearly	809	13.50%
7(12)/2014/PE-VII DT 27-10-2020	5 Years	Yearly	1,619	13.50%
7(12)/2014/PE-VII DT 26-11-2020	5 Years	Yearly	1,000	13.50%
7(12)/2014/PE-VII DT 03-03-2021	5 Years	Yearly	959	13.50%

NOTE NO. 06

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LONG TERM PROVISIONS

PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
1 PROVISION FOR GRATUITY	1,839.88	1,953.84
2 PROVISION FOR LEAVE ENCASHMENT	442.54	1,172.88
TOTAL	<u>2,282.42</u>	<u>3,126.72</u>

NOTE NO. 07

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SHORT TERM BORROWINGS

PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
SECURED LOAN		
BANK OVERDRAFT AGAINST TERM DEPOSIT	400.41	3,427.54
TOTAL	<u>400.41</u>	<u>3,427.54</u>

**NOTE NO. 07.01**

Company has taken a Bank Overdraft of Rs. 400.41 lakhs (previous year - Rs.3408.91 lakhs) against security of its Term Deposits and same was outstanding at the year end. However, the company has not created any charge on such Term Deposits with ROC.

NOTE NO. 08

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TRADE PAYABLES

PARTICULARS	AMOUNT	AMOUNT
	AS ON 31.03.2021	AS ON 31.03.2020
(a) Amount due to Micro, Small & Medium Enterprises	9.22	11.48
B) Others	986.28	7,766.60
TOTAL	<u>995.50</u>	<u>7,778.08</u>

NOTE : 8.01

NO INTEREST HAD BECOME PAYABLE EITHER IN THE CURRENT YEAR OR IN THE PREVIOUS YEAR UNDER SECTION 16 OF MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT ACT 2006, OR UNDER ANY OTHER CONTRACTUAL

i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :		
	Principal	9.22	11.48
	Interest	-	-
ii)	The amount of interest credit by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act,2006	-	-



NEPA LIMITED

NOTE NO. 9

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OTHER CURRENT LIABILITIES

PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
1 CURRENT MATURITIES OF LONG TERM DEBT	11,359.01	11015.41
2 INTEREST ACCRUED & DUE (ON GOI LOAN)		
- INTEREST	5,767.44	5,157.03
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	9,996.98	7,464.37
3 INTEREST ACCRUED AND NOT DUE (ON GOI LOAN)		
- INTEREST	510.23	105.27
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	924.38	906.57
4 DEPOSIT FROM CONTRACTOR / AGENT / CUSTOMERS & OTHERS	463.12	420.24
5 ADVANCE FROM CUSTOMERS	-	42.91
6 CREDITORS FOR RMDP PROJECT	4,724.98	4,313.88
7 SECURITY DEPOSIT FOR RMDP PROJECT	274.30	205.56
8 OTHER PAYABLES	363.64	106.26
TOTAL	34,384.08	29,737.50
OTHER PAYABLES PERTAIN TO:		
STATUTORY LIABILITIES	348.95	102.14
OTHER CREDITORS	14.69	4.12
TOTAL	363.64	106.26

Default in repayment of Government of India Loan

(Amount in Rs.)

PARTICULARS	TOTAL AMOUNT	PRINCIPAL AMOUNT	INTEREST INCLUDING PENAL	NO. OF INSTALLM ENST	DEFAULT SINCE
NO.7(10)/2011 PE VII-I) DT 02-07-2012	3,091	1,129	1,962	5.00	6th JULY, 2017
NO.7(10)/2011 PE VII-II) DT 02-07-2012	854	312	542	5.00	6th JULY, 2017
NO.7(10)/2011 PE VII-I) DT 18-03-2013	3,011	1,168	1,843	5.00	23rd MARCH, 2018
NO.7(10)/2011 PE VII-II) DT 18-03-2013	345	134	211	5.00	23rd MARCH, 2018
7(9)/2013/PE-VII (I) DT 19-09-2013	4,429	1,796	2,633	5.00	20th JULY, 2018
7(9)/2013/PE-VII (II) DT 16-09-2013	829	336	493	5.00	20th JULY, 2018
7(9)/2013/PE-VII (I) DT 12-03-2014	2,712	1,150	1,562	5.00	15th MARCH, 2019
7(9)/2013/PE-VII (I) DT 12-03-2014	295	125	170	5.00	15th MARCH, 2019
7(13)/2013/PE-VII DT 07-03-2014	4,169	1,718	2,451	4.00	12th MARCH, 2020
7(12)/2014/PE-VII DT 08-10-2014	3,544	1,590	1,954	5.00	10th OCTOBER, 2019
7(12)/2014/PE-VII DT 08-10-2014	4,238	1,901	2,337	5.00	10th OCTOBER, 2019
TOTAL	27,517	11,359	16,158		

NOTE NO. 10

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SHORT TERM PROVISIONS

PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
PROVISION FOR LEAVE ENCASHMENT	416.42	86.01



NEPA LIMITED

Note No. 11

PROPERTY, PLANT & EQUIPMENT

(Rs. In Lakhs)

DESCRIPTION	GROSS BLOCK AT COST				LESS DEPRECIATION / AMORTIZATION				NET BLOCK	
	AS ON 01.04.2020	Additions	Deduction	AS AT 31.03.2021	AS ON 01.04.2020	For the Year	Written Back	Upto 31.03.2021	AS AT 31.03.2021	AS AT 31.03.2020
Note No. 11a										
Tangible Assets										
(a) LEASED ASSETS										
Land Lease hold	2.50	-	-	2.50	1.10	0.26	-	1.36	1.14	1.40
(b) OWNED ASSETS										
Free Hold Land	2.58	-	-	2.58	-	-	-	-	2.58	2.58
Buildings	1,384.57	-	0.19	1,384.38	983.59	11.94	0.07	995.46	388.92	400.98
Plant and Equipment	6,947.58	0.45	0.86	6,947.17	6,104.93	45.12	0.87	6,149.18	797.99	842.65
Furniture & Fixtures	392.92	9.52	9.65	392.79	327.79	12.18	6.71	333.26	59.53	65.13
Vehicles	10.46	0.05	0.01	10.50	9.90	-	0.02	9.88	0.62	0.55
Railway Sidings	412.93	-	-	412.93	289.75	11.34	-	301.09	111.84	123.18
Water Works	263.79	-	0.02	263.77	223.67	2.21	0.02	225.86	37.91	40.12
Roads and Bridges	51.69	-	-	51.69	49.11	0.03	-	49.14	2.55	2.58
Library Books	0.37	-	-	0.37	0.35	-	-	0.35	0.02	0.02
Discarded Assets	186.58	-	-	186.58	90.37	-	-	90.37	96.21	96.21
TOTAL (A)	9,655.97	10.02	10.73	9,655.26	8,080.55	83.08	7.69	8,155.95	1,499.31	1,575.40
Previous Year (A)	10,762.57	7.06	1,113.66	9,655.97	9,039.35	93.86	1,052.65	8,080.56	1,575.41	1,723.22
Note No. 11b										
Capital Work in Progress										
Plant & Machinery under Erection	25,203.48	6,488.27	-	31,691.75	-	-	-	-	31,691.75	25,203.48
TOTAL (B)	25,203.48	6,488.27	-	31,691.75	-	-	-	-	31,691.75	25,203.48
Previous Year (B)	19,167.09	6,036.39	-	25,203.48	-	-	-	-	25,203.48	19,167.09
GRAND TOTAL (A+B)	34,859.45	6,498.29	10.73	41,347.01	8,080.55	83.08	7.69	8,155.95	33,191.06	26,778.88
Previous Year Grand Total (A+B)	29,950.73	6,043.45	1,134.73	34,859.45	9,044.10	93.86	1,057.40	8,080.56	26,778.89	20,906.63



NEPA LIMITED

NOTE NO. 12

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LONG TERM LOANS AND ADVANCES

PARTICULARS	AMOUNT	
	AS ON 31.03.2021	AS ON 31.03.2020
1 CAPITAL ADVANCES FOR RMDP PROJECT	308.56	958.69
2 SECURITY DEPOSIT FOR SERVICE CONNECTION	1.14	1.14
3 DEPOSIT WITH OTHER AUTHORITIES	19.41	19.41
TOTAL	329.10	979.24
(12)A		
Secured Considered Good		
Unsecured Considered Good	309.70	959.83
Doubtful	19.41	19.41
	329.10	979.24

NOTE NO. 13

=====

OTHER NON CURRENT ASSETS

SALES TAX PAID UNDER PROTEST	15.68	15.68
SALES TAX RECOVERABLE	14.06	14.06
TOTAL	29.74	29.74

NOTE NO. 14

=====

INVENTORIES

PARTICULARS	AMOUNT	
	AS ON 31.03.2021	AS ON 31.03.2020
RAW MATERIALS	148.42	148.42
LESS: PROVISION FOR REDUCTION IN VALUE @ 5%	(7.42)	(7.42)
	141.00	141.00
STOCK- IN-TRADE		
a) PETROL	9.40	6.01
b) DIESEL	8.30	8.43
c) LUBRICANT OIL	1.63	0.85
d) PETROL XP	7.69	5.75
STORES AND SPARES	682.15	759.59
LESS: PROVISION FOR NON MOVING ITEMS	(526.72)	(585.41)
	155.43	174.18
LOOSE TOOLS	4.07	4.07
OTHERS		
a) COAL CINDER	134.07	175.48
b) COAL	71.26	71.47
TOTAL	532.84	587.23

(i) Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads net of recoverable taxes incurred in bringing them to their respective present location and condition.

(ii) The cost formulas used is Weighted Average Cost in case of raw material and stores and spares, packing materials and other products.

(iii) Stock of coal cinder and scrap are valued at estimated realizable value. Estimated realizable value is the average rate of the quantity sold during the last quarter of the financial year. In case, no sales takes place in the last quarter the average rate of previous quarter is considered for valuation.

(iv) Shortage/excess found during physical verification of inventories is adjusted to consumption.

(v) In respect of items of Stores and Spares excluding insurance spares which have not moved for more than five years, full provision for obsolescence allowance is created.

**NEPA LIMITED**

NOTE NO. 15 =====		
TRADE RECEIVABLE		
PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
15.1 UNSECURED AND CONSIDERED GOOD		
a) TRADE RECEIVABLE OUTSTANDING FOR PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT FOR PETROL AND DIESEL	4.99	4.36
b) OTHERS	89.55	120.21
15.2 UNSECURED, CONSIDERED DOUBTFUL		
a) TRADE RECEIVABLE OUTSTANDING FOR PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY	510.63	398.40
LESS: PROVISION FOR DOUBTFUL DEBTS	(287.51)	(288.73)
TOTAL	317.65	234.24
NOTE NO. 16 =====		
CASH AND BANK BALANCES		
PARTICULARS	AMOUNT AS ON 31.03.2021	AMOUNT AS ON 31.03.2020
CASH & CASH EQUIVALENT		
A) <u>CASH IN HAND</u>		
1 CASH BOOK (ADMIN OFFICE)	6.35	11.20
2 CASH IN HAND WITH OTHER DEPARTMENTS OF THE MILL	4.07	1.25
B) BALANCE WITH SCHEDULE BANKS- CURRENT ACCOUNT	424.19	276.72
	434.61	289.17
OTHER BANK BALANCES		
C) FIXED DEPOSITS WITH SCHEDULE BANKS	4,630.71	4,437.34
D) BALANCE IN ESCROW ACCOUNTS	15,236.23	12,572.57
	19,866.94	17,009.91
TOTAL	20,301.55	17,299.08
NOTE:- 16.1:-		
FIXED DEPOSIT WITH SCHEDULE BANK INCLUDES FDRs HELD BY BANK AS MARGIN MONEY FOR :		
a) BANK OVERDRAFT	Rs. 400.41 LAKHS (P.Y. Rs. 3427.54 LAKHS)	
b) BANK GUARANTEES	Rs. 287.604 LAKHS (P.Y. Rs.287.604 LAKHS)	



NEPA LIMITED

NOTE NO. 17

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SHORT TERM LOANS AND ADVANCES

PARTICULARS	AMOUNT AS ON 31.03.2021		AMOUNT AS ON 31.03.2020	
<u>OTHERS</u>				
<u>UNSECURED</u>				
ADVANCE AGAINST INDIGENOUS PURCHASE AND OTHERS				
- CONSIDERED GOOD	-		-	
- DOUBTFUL	0.71		0.71	
LESS:-PROVISION FOR BAD AND DOUBTFUL DEBT	(0.71)	-	(0.71)	-
GENERAL ADVANCE TO MONTHLY RATED EMPLOYEES	-			5,903.36
FESTIVAL ADVANCE	15.67			18.02
DEPOSIT WITH CENTRAL EXCISE FOR CESS ON PAPER	0.05			0.05
INCOME TAX PAID AT SOURCE	172.84			112.91
TCS COLLECTED BY SELLER	1.62			-
PREPAID EXPENSES	51.99			51.08
DEPOSIT WITH CUSTOMS AND OTHER AUTHORITIES	48.21		59.64	
LESS: PROVISION FOR BAD & DOUBTFUL DEPOSITS	(4.45)	43.76	(4.45)	55.19
CLAIM RECEIVABLE	457.85		523.50	
LESS: PROVISION FOR BAD & DOUBTFUL CLAIM	(13.18)	444.67	(13.17)	510.33
GST RECEIVABLE		2,864.03		1,687.74
<hr style="border-top: 1px dashed black;"/>				
OTHER ADVANCES				
a) CONSIDERED GOOD		160.30		10.44
b) DOUBTFUL	128.38		128.38	
LESS: PROVISION FOR DOUBTFUL LOANS & ADVA	(128.06)	0.32	(128.06)	0.32
TOTAL		<u>3,755.26</u>		<u>8,349.44</u>

NOTE NO. 17.1

CLAIM RECEIVABLE INCLUDED RS. 334.13 LAKHS DUE FROM EMPLOYEE PROVIDENT FUND ORGANISATION FOR DAMAGES PAID IN EARLIER YEARS ON ACCOUNT OF PENALTY IMPOSED BY EPFO AND IS SHOWN AS RECOVERABLE SINCE THE COMPANY IS OF THE VIEW THAT RELIEF FOR THE SAME WOULD BE GIVEN BY BIFR. HENCE, THE SAID AMOUNT IS NOT DEBITED TO THE STATEMENT OF PROFIT & LOSS .

NOTE NO. 18

=====

OTHER CURRENT ASSETS

PARTICULARS	AMOUNT AS ON 31.03.2021		AMOUNT AS ON 31.03.2020	
INTEREST ACCRUED ON BANK DEPOSIT		52.00		79.91
ACCURED INCOME (O/S RECOVERY OF TOWNSHIP I	268.04		224.32	
LESS:PROVISION AGAINST DOUBTFUL RECOVERY	(20.92)	247.13	(20.92)	203.40
TOTAL		<u>299.12</u>		<u>283.31</u>



NEPA LIMITED

NEPA LIMITED NEPANAGAR (M.P.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2021

NOTE NO.19

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REVENUE FROM OPERATION

S.NO	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
A	REVENUE FROM SALE OF PRODUCTS		
	SALE OF PETROL, DIESEL & LUBRICANTS, EXTRA PREMIUM PETROL	1,105.24	1,105.55
	TOTAL (A)	1,105.24	1,105.55
B	OTHER OPERATING REVENUES		
	SALE OF COAL CINDER	144.28	137.77
	SALE OF SCRAP	487.11	48.42
	TOTAL (B)	631.39	186.20
	TOTAL (A+B)	1,736.63	1,291.74

NOTE NO. 20

=====

OTHER INCOME

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	PROFIT ON SALE OF FIXED ASSETS	-	566.44
2	INCOME OF WATER SUPPLY	89.40	112.41
3	INTEREST EARNED	758.78	555.79
4	INCOME FROM TOWNSHIP [INCLUDES PRIOR PERIOD INCOME OF RS 0.76 LAKHS, (RS. 2.73 LAKHS IN PREVIOUS YEAR)]	214.07	246.71
5	INCOME FROM RAILWAY SIDINGS RENT	-	164.29
6	RECEIPTS FROM MEDICAL DEPARTMENT	9.01	11.94
7	INCOME FROM SALE OF EUCALYPTUS TREE	-	7.27
8	PROVISIONS FOR INVENTORY WRITTEN BACK	75.28	77.33
9	PROVISIONS & LIABILITIES WRITTEN BACK*	102.90	10.11
10	MISCELLANEOUS INCOME(INCLUDES PRIOR PERIOD INCOME OF RS.0.91 LAKHS, PREVIOUS YEAR NILL)	19.90	24.25
11	COMPENSATION FROM RAILWAY	30.67	-
		1,300.00	1,776.54

**NOTE NO. 21**

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COST OF GOODS SOLD

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
	PURCHASE OF PETROL, DIESEL & LUBRICANTS	1,076.97	1,062.39
	TOTAL	1,076.97	1,062.39

NOTE NO. 22

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CHANGES IN THE INVENTORIES OF

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
A	INVENTORIES AT THE END OF THE YEAR		
a	MANUFACTURING GOODS		
1	COAL CINDER	134.07	175.48
b	TRADING GOODS		
1	EXTRA PREMIUM PETROL(XP)	7.70	5.75
2	PETROL	9.40	6.01
3	DIESEL	8.30	8.43
4	LUBRICANTS	1.63	0.85
	TOTAL (A)	161.09	196.51
B	INVENTORIES AT THE BEGINNING OF THE YEAR		
a	MANUFACTURING GOODS		
1	COAL CINDER	175.48	272.11
b	TRADING GOODS		
1	EXTRA PREMIUM PETROL(XP)	5.75	0.39
2	PETROL	6.01	8.05
3	DIESEL	8.43	7.61
4	LUBRICANTS	0.85	0.67
5	OPENING STOCK OF PROD. WASTE MAT.	-	-
	TOTAL (B)	196.51	288.83
	NET (INCREASE)/ DECREASE (B-A)	35.42	92.32



NEPA LIMITED

NOTE NO. 23

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EMPLOYEES BENEFIT EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	SALARIES, WAGES AND ALLOWANCES [INCLUDES PRIOR PERIOD EXPENSE OF RS.1.10 LAKHS (PREVIOUS YEAR RS. NIL)]	1,557.19	1,529.99
2	CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	192.88	199.43
3	GRATUITY	707.98	614.16
4	LEAVE ENCASHMENT	102.64	-
5	VRS PAYMENT	-	2,658.31
6	STAFF WELFARE EXPENSES	48.11	48.92
7	REIMBURSEMENT OF MEDICAL EXPENSES	93.52	81.09
8	DEFECIT AMOUNT TO NEPF TRUST	42.19	-
	TOTAL	2,744.51	5,131.90

NOTE 23.1

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REIMBURSEMENT OF MEDICAL EXP

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	REIMBURSEMENT OF MEDICAL EXPENSES TO EMPLOYEES	40.30	31.68
2	REIMBURSEMENT OF OUTSIDE MEDICAL CLAIM	44.70	40.52
3	REIMBURSEMENT OF MEDICAL EXPENSES TO CASUAL/ BADLI EMPLOYEES	8.29	8.58
4	REIMBURSEMENT OF LOCAL BILL TO CONTRACTUAL EMPLOYEES	0.23	0.32
	TOTAL	93.52	81.09

NOTE NO. 24

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FINANCE COST

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	INTEREST ON GOVERNMENT LOAN	3,565.80	2,681.16
2	INTEREST ON BANK LOAN	137.29	208.82
3	BANK CHARGES	4.57	4.18
4	INTEREST ON STATUTORY PAYMENTS	-	22.62
		3,707.65	2,916.78



NEPA LIMITED

NOTE NO. 24.1

INTEREST ON GOI LOAN HAS BEEN PROVIDED FOR AS PER TERMS OF THE LOAN. HOWEVER, COMPANY HAS SOUGHT WAIVER OF THE SAME AS PER THE GENERAL TERMS & CONDITIONS OF THE BIFR SANCTIONED SCHEME.

NOTE NO.25**OTHER EXPENSES**

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
A	<u>MANUFACTURING EXPENSES</u>		
1	STORES & SPARES CONSUMED	18.99	25.18
2	CHEMICALS CONSUMED	10.96	7.04
3	POWER & FUEL	290.66	310.73
	[INCLUDES PRIOR PERIOD EXPENSE OF RS. NIL (PREVIOUS YEAR RS. 0.35 LAKHS)]		
B	<u>ADMINISTRATION AND ESTABLISHMENT EXPENSES</u>		
1	COMMUNICATION EXPENSES (INCL POSTAGE)	13.75	13.67
2	INSURANCE	41.53	1.80
3	LEGAL AND PROFESSIONAL CHARGES	24.92	29.36
4	PAYMENT TO AUDITORS	2.50	2.67
5	RATES & TAXES	27.92	6.51
6	REPAIR & MAINTENANCE	71.30	94.94
	[INCLUDES PRIOR PERIOD EXPENSE OF RS.NIL (PREVIOUS YEAR Rs 2.04 LAKHS)]		
7	HIRE CHARGES OF VEHICLES	20.25	19.31
8	RESEARCH AND DEVELOPMENT EXP.	62.14	195.67
9	TRAVELLING EXPENSES	4.81	14.54
10	PROVISION ON DOUBTFUL DEBTORS	-	38.96
11	INTANGIBLE ASSET WRITTEN OFF	-	11.26
12	ELECTRICITY CHARGES	8.87	10.16
13	GUEST HOUSE RUNNING EXPENSES	9.68	11.21
14	PRINTING & STATIONARY	6.90	12.01
15	PUBLICATION CHGS FOR TENDRS & EMB	1.90	3.86
16	FACTORY OFFICE GEN EXPENSES	8.91	5.48
17	ENTERTAINMENT EXP.	1.01	3.15
18	HORTICULTURE EXPENSES	3.27	3.86
19	LIGHTNING AND SANITATION	4.47	3.12
20	NURSERY EXPENSES	5.73	8.54
21	COMPUTER MAINT CHARGES	3.89	3.35
22	GENERAL EXPENSES	6.56	6.32
23	WRITTEN OFF AMOUNT OF DEBTORS	9.13	-
24	LOSS ON SALE OF ASSETS AND AMOUNT WRITTEN OFF	70.54	-
25	MISCELLENEOUS EXPENSES (BELOW 1% OF TURNOVER)	21.80	22.70
C.	<u>SELLING & DISTRIBUTION EXPENSES</u>		
1	COMMISSION ON SALES	11.19	16.79
2	FREIGHT AND LOADING CHARGES	13.66	14.62
3	CONFERENCE EXPENSES	1.90	-
	TOTAL	779.16	896.80



NEPA LIMITED

POWER & FUEL ALSO INCLUDE COAL FOR RUNNING POWER PLANT AND HT POWER DRAWN THROUGH 132 KV SUB-STATION FOR PROVIDING WATER SUPPLY TO THE TOWNSHIP AND FOR FACTORY LIGHTING PURPOSE.

NOTE 25.2

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AUDIT FEES

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	STATUTORY AUDIT FEES	1.75	1.75
2	REIMBURSEMENT OF EXPENSES	0.75	0.75
3	AUDIT FEES (INTERNAL & SECRETARIAL AUDIT)	-	0.17
	TOTAL	2.50	2.67

NOTE 25.3

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REPAIR & MAINTANANCE

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	PLANT & MACHINERY	12.09	10.91
2	BUILDINGS	38.32	16.96
3	OTHER ASSETS	20.89	64.97
	TOTAL	71.30	92.85

NOTE 25.4

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GUEST HOUSE RUNNING EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	NEPA NAGAR GUEST HOUSE	6.88	7.47
2	NEW DELHI GUEST HOUSE	2.80	3.75
	TOTAL	9.68	11.21

NOTE 25.5

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MEDICAL EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2021	Period ended on 31st March 2020
1	CONSUMPTION OF MEDICINE	3.59	3.31
2	COST OF MILK & BREAD	-	0.09
3	MISC EXPENSES FOR MEDICAL DEPARTMENT	1.76	2.24
	TOTAL	5.35	5.65

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2021****26. Board for Industrial and Financial Reconstruction (BIFR) Implementation Status**

- 26.1.** Company was registered with BIFR in 1998 vide case no. 502/1998. BIFR had directed the Operating Agency (OA) i.e., State Bank of India (SBI) to formulate a Detailed Rehabilitation Scheme (DRS) for Nepa Limited.
- 26.2.** The Union Cabinet gave its approval of a total package of 1,02,596 Lakhs on 6th September, 2012 vide Department of Heavy Industries (DHI) Letter no. 7(8)/2009-PE-VII dated 25th September, 2012 for revival of Nepa Limited. The Revival Scheme was sanctioned by the BIFR and final Summary Record of Proceedings were issued on 04.03.2014.
- 26.3.** Clause 18.7 of the final Summary Record of Proceedings read as "The Company's request to convert Government of India loan of Rs. 23,101 Lakhs and Rs. 2,884 Lakhs dues of Government of Madhya Pradesh & its corporations as agreed by them into equity and infusion of fresh equity of Rs. 15,700 Lakhs to meet part finance of total capital expenditure of Rs. 28,500 Lakhs for Revival & Mill Development Plan (RMDP) and thereafter to de-rate the equity workout after taking consideration Government of Madhya Pradesh dues also."
- 26.4.** Further, vide letter number F/5/2002/10-3 dated 25/02/2012, Government of Madhya Pradesh had also given in principle approval for conversion of Government of Madhya Pradesh dues of Rs. 2,884 Lakhs consisting of Electricity Charges payable to M/s MPPKVVCL, Electricity Duty dues and Commercial Tax & Entry Tax dues into equity. Final approval of Government of Madhya Pradesh for conversion of the said dues of Rs. 2,884 Lakhs into equity capital of the Nepa Ltd at the face value Rs. 10/- each in the name of the Governor of MP was received vide Order dated 7th April, 2015. Further, DHI vide letter No. 7(13)/2013-PE-VII dated 8th August, 2016 also gave approval for conversion of Government of Madhya Pradesh dues of Rs. 2,884 Lakhs into Equity Share of Nepa Limited.
- 26.5.** As per the Draft Rehabilitation Scheme (DRS) for revival of the company Government of India has released fresh equity infusion of Rs. 15,700 Lakhs in four installments i.e. Rs. 810 Lakhs on 27.03.2014, Rs. 5,000 Lakhs on 26.12.2014, Rs. 5,099 Lakhs on 23.10.2015 and Rs. 4,791 Lakhs on 31.03.2016.
- 26.6.** The cutoff for the scheme was 31.03.2012 for various reliefs, but some of the reliefs are still under consideration for approval by respective authorities and will be accounted for as & when approved.
- 26.7.** A revised RMDP package amounting to Rs. 46,941 Lakhs has been sanctioned by Government of India (GOI)/ Cabinet Committee on Economic Affairs (CCEA) on 3 October, 2018.
- 26.8.** As per budgetary support to Nepa Ltd for Revival Mill Development Plan the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, vide their letter No. 7(12)/2014-PE-VII dated 12th October 2018 have directed for infusion of **additional equity** of Rs. 27,700 Lakhs for revised cost estimates of Revival Mill Development Plan to be issued as Equity shares to Government of India and 9,083 Lakhs for VRS (Voluntary Retirement Scheme) to be issued as 7% non-cumulative preference shares to Government of India.
- 26.9.** Accordingly, Government of India vide letter no. vide letter No. 7(12)/2014-PEVII dated 18.12.2018. have released a sum of Rs. 3,300 Lakhs for part implementation of RMDP in Nepa Ltd and part payment of 1,654 Lakhs vide letter No.7(12)/2014-PE VII dated 12.03.2019 for voluntary retirement scheme VRS.
- 26.10.** BIFR vide its order dated 04.03.2014 had approved the reduction in the paid-up share capital, from 10/- per share to 5/- per share, as a part of the Rehabilitation Scheme. In 391st Board Meeting of Nepa Ltd held on 18.06.2019 at Mantralaya Bhopal approval was given for conducting postal ballot for taking shareholder approval for De-rating of Existing Equity Share Capital from Rs. 52,466.95 Lakhs to Rs. 26,233.48 Lakhs. Accordingly, the resultant difference of Rs. 26,233.47 Lakhs has been reduced from the share capital and the opening balance of brought forward losses.

**27. Status of reliefs & concessions:**

Status of assistance and/or reliefs/concessions from Central Government/State Government/State Government agencies and other statutory authorities as per the Draft Rehabilitation Scheme sanctioned by Hon'ble BIFR is as under:

27.1. Ministry of Heavy Industries, Government of India

27.1.1. Sanction of conversion of Government of India (GOI) loan of Rs. 23,101 Lakhs was received and accordingly shares have been allotted to GOI in earlier years.

27.1.2. Waiver of Statutory dues to Central Government Authorities amounting to Rs. 1,338 Lakhs.

27.1.3. Waiver of penal interest on GOI loan of Rs. 24,183 Lakhs with freezing from 01.04.2012.

27.1.4. Waiver of interest accrued but not due on GOI loan of Rs. 2,094 Lakhs with freezing from 01.04.2012.

27.1.5. Waiver of normal interest on GOI loan of Rs. 9,243 Lakhs with freezing from 01.04.2012.

27.1.6. The Company has issued 7% Non-Cumulative Preference Shares to Government of India as under: -

I. 6,00,000 7% Non-Cumulative Preference Shares amounting to Rs. 6,000 Lakhs upto 31.03.2019.

II. 1,65,400 7% Non-Cumulative Preference Shares amounting to Rs. 1,654 Lakhs allotted in the F.Y. 2019-20.

III. Further 3,00,000 7% Non-Cumulative Preference Shares are pending for allotment as on 31.03.2021.

The above sum of Rs. 7,654 Lakhs has been used to discharge the liability on account of Voluntary Retirement Scheme.

27.1.7. Amount of Rs. 9,083 Lakhs has been sanctioned towards VRS for approximately 400 employees out of which amount of Rs. 4,654 Lakhs has been received. Against this Rs. 1,640 Lakhs has been allotted as 7% Non-Cumulative Preference Shares in F.Y. 2019-20 and Rs. 3,000 Lakhs is pending for allotment.

27.2. Ministry of Environment & Forest, Government of India

Lease premium of Rs. 2,200 Lakhs towards lease deed of 849.90 acres land at Neapanagar has been waived off by Hon'ble Supreme Court in the earlier years vide its order dated 13.03.2014. Land Measuring 1517.08 acre was on lease from Government of MP, out of which 667.18 acre land has been returned to Government of MP on 05.02.2016. Execution of lease deed for balance 849.90 acre land has been completed on 13th Oct 2018 which is valid upto 23rd July 2032

27.3. The Registrar of Companies, Gwalior

ROC has provided the waiver in fees and penalty for enhancement of authorized share capital. However, stamp duty of Rs. 20 Lakhs levied by Government of M.P. on the same has been paid by the company in earlier years. Stamp Duty for increase in authorized share capital is also paid by the company Payment of Stamp Duty on allotment of share is under consideration for waiver.

27.4. The Customs and Excise Department

The company was granted waiver of Excise and Custom duty under the Detailed Rehabilitation Scheme (DRS) by BIFR as per clause 18.4 of the scheme.

27.5. Government of M.P.

27.5.1. Approval of conversion of miscellaneous dues of Rs. 2,884 Lakhs has been received from Government of Madhya Pradesh; accordingly, shares have been allotted to Government of Madhya Pradesh worth Rs. 2,884 Lakhs in the earlier years.

27.5.2. The Sales Tax Department

As per clause 18.5 of the BIFR sanctioned scheme the company was to get exemption of Sales Tax, waiver of Entry Tax, VAT, CST and Electricity duty on Captive Power for 10 years in the scheme sanctioned by BIFR. The



company had already applied for above mentioned exemption. However, consequent to implementation of GST equivalent exemptions are yet to be applied. Presently GST is levied, collected and paid as per applicable provisions.

28. RECONCILIATION OF RELIEFS & CONCESSIONS AS PER RMDP

The company had received various reliefs/concessions from Central Government/State Government/State Government agencies and other statutory authorities under RMDP. The same was accounted for in the books in the earlier years. The details are as under: -

	Government of India interest and penal interest	Government of Madhya Pradesh Misc dues	Government of Madhya Pradesh Conversion tax dues to equity	GOI Conversion of loan to equity
Amount as per Projection approved by BIFR	347	3,535	2,884	23,101
Less: Estimation error in revival scheme	-	-	49	-
Less: Amount disclosed in contingent liability	-	1,914	-	-
Amount as per books (Liability)	-	1,621	2,835	-
Amount as per books (Converted to Equity)	-	-	-	23,101
Amount accounted as waiver of Interest and Penal Interest	347	-	-	-

29. During the year 2019-20 Rs. 3,300 Lakhs were allotted as 3,30,00,000 Equity Shares of Rs 10 each to Government of India against the Equity released for RMDP which is converted into 6,60,00,000 Equity Share of Rs. 5/- each on 30.12.2020 post approval of shareholder to have uniform value of share i.e. Rs. 5/- Each. Further in the 398th Board Meeting of Nepa Ltd held on 25.03.2021 at Neapanagar approval was given for allotment of Rs. 24,400 Lakhs into 48,80,00,000 Equity share of Rs. 5/- each. Accordingly, allotment was done.

30. The company has sub divided Equity Share to have uniform nominal value for all the equity share of the company vide resolution dated 30.12.2020 passed by shareholders. 27,76,16,328 Equity share of Rs. 10/- each subdivided into 55,52,32,656 Equity Share of Rs. 5/- each Post subdivide Capital Structure of the company are as follows: -

The Authorized capital of the company is

- Rs. 54,000 Lakhs divided into 1,08,00,00,000 Equity Shares of Rs.5/- Each and
- Rs. 15,083 Lakhs divided into 15,08,300 7% Non-Cumulative Preference Shares of Rs.1,000/- each.

31. Property, Plant and Equipment under Renovation and Impairment

31.1. The company is in the process of identifying/ assessing the items of Property, Plant and Equipment which are to be retired from active use. Pending the completion of such identification/assessment, none of the items of Property, Plant and Equipment have been considered as retired from active use



and held for disposal. Accordingly, all items of Property, Plant and Equipment continue to be measured at their carrying amount. Upon identification of items of Property, Plant and Equipment which are to be retired from active use, they shall then be stated at lower of carrying amount and net realizable value.

- 31.2.** The Revival Mill Development Plan (RMDP) as approved by Board for Industrial and Financial Reconstruction is under implementation. The company has received necessary approvals from the Government of India and Government of Madhya Pradesh. As against the carrying cost of Property, Plant & Equipment of Rs. 1,499.31 Lakhs (Previous year Rs. 1,575 Lakhs) the Capital Work in Progress on account of the RMDP is Rs. 31,691.75 Lakhs (Previous Rs. 25,203 Lakhs). The management is of the opinion that upon the implementation of said plan, the company as a whole taken as a “Cash Generating Unit”, the value in use will be higher than the carrying cost of the Property, Plant & Equipment. Hence, the management believes that no impairment provision is necessary.
- 31.3.** Revival Mill Development Plan is under implementation and there is no production and manufacturing activities during the year under audit.
- 32.** The disclosure required as per AS-15 “Employee Benefit” (Revised) issued by the Institute of Chartered Accountants of India (ICAI) and notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 based as on Actuarial valuation on 31.03.2021 is as under: -

Defined benefit plan-

The employees' gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Project Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Table showing changes in present value of obligations (Rs in Lakhs)		
	2020-21	2019-20
Present Value of obligations as at beginning of year	1953.84	3080.80
Interest Cost	143.71	231.06
Current Service Cost	96.41	98.99
Benefits Paid	(349.19)	(1515.75)
Actuarial (Gain)/Loss on obligations	22.50	58.74
Present value of obligations as at end of the year	1867.28	1953.84

II. Table showing changes in the fair value of plan assets (Rs. Lakhs)		
	2020-21	2019-20
Fair value of plan assets at beginning of year	888.84	2,317.15
Expected return on plan assets	92.60	87.44
Contributions	799.52	-
Benefits Paid	(349.19)	(1,515.75)
Actuarial (Gain)/Loss on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	1,431.78	888.84

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III. Table showing fair value of plan assets (Rs. Lakhs)		
	2020-21	2019-20
Fair value of plan assets at beginning of year	888.84	2317.15
Actual return on plan assets	92.60	87.44
Contributions	799.52	-
Benefits paid	(349.19)	(1,515.75)
Fair value of plan assets at the end of the year	1,431.78	1,953.84
Funded Status	(435.39)	(763.69)
Excess of Actual over estimated return on plan assets	NIL	NIL

IV. Principal Actuarial Assumption		
	2020-21	2019-20
Discount Rate as on 31.03.2021	7.00%	7.25%
Annual increase in salary costs	7.00%	7.00%

V. Actuarial Gain/ (Loss) recognized Amount (Rs. Lakhs)		
	2020-21	2019-20
Actuarial (gain)/ loss on obligations	22.50	58.74
Actuarial (gain)/ loss for the year – plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	58.74	58.74
Actuarial (gain)/ loss recognized in the year	-	58.74

VI. Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss (Rs. Lakhs)		
	2020-21	2019-20
Present value of obligations as at the end of year	1,867.28	1,953.84
Fair value of plan assets as at the end of the year	1,431.78	888.84
Funded Status	(435.39)	(1,064.99)
Net liability/(asset) recognized in balance sheet	NIL	(1,064.99)

VII. Expenses Recognised in Statement of Profit & Loss (Rs. Lakhs)		
	2020-21	2019-20
Current Service cost	96.41	98.99
Interest Cost	143.71	231.05
Expected return on plan assets	(92.60)	(87.44)
Net Actuarial (gain) / loss recognized in the year	22.50	58.74
Expenses recognized in Statement of Profit and Loss	170.02	301.35



The present value obligation of gratuity amounting to Rs. 1839,88 Lakh is recognised without reducing the fair value of plan assets on the same. The net obligation after adjusting the fair value of plan assets is Rs. 435.39 Lakhs as against the total provision of Rs.1839.88 Lakhs in the Balance Sheet. The Management has decided not to reverse the provision already created in books on a conservative basis.

33. Employee related payments

- (a) Provision for salary/wages and P.F. payable from 1st April 2020 to 31st March, 2021 has been made in the books of accounts. An amount of Rs 10,158 Lakhs has been sanctioned vide CCEA decision dated 03.10.2018 towards salary/wages and statutory dues related to employees out of which Rs. 3,825 Lakhs has been received in Financial Year 2019-20 (including 394 Lakhs for payment of Electricity Bill) and Rs.6,331 Lakhs has been received during the year 2020-21. Company has paid premium to LIC during for securing the insurance against liability arising under the Payment of Gratuity Act, 1972 as per calculation provided by LIC of India for the defined benefit gratuity.
- (b) Company has made a provision of Rs. 336.13 Lakhs for FY 2020-21 (previous year Rs. 420.22 Lakhs) during the current year for leave encashment liability towards employees.

34. SEGMENT REPORTING

The company is engaged mainly in business of manufacturing of news print. Presently the manufacturing and sale of newsprint is suspended. In view of implementation of RMDP as per DRS sanctioned by BIFR, the Company expects to operationalize the manufacturing activity in the near future. The management has identified the newsprint as the single business segment.

To cater to the needs of the Company, it's staff and general public, the Company has started a petrol pump within the city limits of Nepa nagar. This is an incidental activity. No information is reported to the Board of Directors and to the Chief Executive Officer for the purpose of evaluating the unit's performance and for making decisions about future allocation of resources. Accordingly, this business activity is neither considered as business not geographical segment for external reporting purposes, although revenue from operations as per Note No. 18 of Rs. 1105.24 Lakhs is from the said business activity.

35. Disclosure of Key Management Personnel and Related Parties with whom transactions entered

As per Accounting Standard-18 on Related Party Disclosure issued by the Institute of Chartered Accountants of India, related party information as identified and certified by Management is as under:

(A) List of Related Parties:

Key management personal (KMP) & Other Related parties

S. No	Name of the Related Party	Relationship
1.	Shri C. Ananda	Managing Director (w.e.f.18.12.19 to 23.12.2020)
2.	Cmdr Saurav Deb	Managing Director (w.e.f 01.01.2021)
3.	Shri Pradeep Kr. Naik	Director (Finance)/ / (Addl. Charge) (w.e.f. 02.05.2019)
4.	Ku. Purnima Parashar	Company Secretary



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(B) Transactions during the year with related parties: -

(Amount in Rs. Lakhs)

S.No.	Nature of Transaction	2020-21	2019-20
1	Remuneration		
	1. Cmde. A. N. Sonsale*	0.00	43.30
	2. Cmde Saurav Deb	3.34	00.00
	3. Sh. Ravindra Kumar*	00.0	12.08
	4. Ku. Purnima Parashar	8.82	6.72
2	Travelling Exp.		
	1. Cmde. A. N. Sonsale	0.00	1.23
	2. Cmde Saurav Deb	0.05	0.00
	3. Sh. Ravindra Kumar	0.00	0.21
	4. Ku. Purnima Parashar	0.29	0.37
	5. P.K. Naik	0.00	0.00
3	Other Directors' Travelling Expenses	0.45	0.86

* Cmde A.N. Sonsale and Mr. Ravindra Kumar were ceased from Directorship of the company w.e.f. 24.12.2019 and 01.05.2019 respectively.

Being a state-controlled enterprise, the related party relationship with other state-controlled enterprises and transactions with such enterprises are not required to be disclosed as per AS-18 "Related Party Disclosures"

36. Earning Per Equity Share (EPS) computed in accordance with AS 20

(In Lakhs)

	Particulars	2020-21	2019-20
i.	Net Profit / (Loss) for calculating basic / diluted EPS in (Rs. Lakhs)	(5390.17)	(7,125.76)
ii.	Weighted Average number of Equity shares for calculation of Basic EPS. (This does not include 97,780 Equity shares forfeited at Rs. 4.30 Lakhs).	5628.70	6,896.72
iii.	Nominal Value of Share (Rs.)	10 & 5	10 & 5
iv.	Basic EPS (Rs.)	(0.96)	(1.03)
v.	Weighted Average Number of equity Shares for Diluted EPS.	NIL	9,917.72
vi.	Diluted EPS (Rs.)	(0.96)	(1.03)



As per Para 41 of Accounting Standard-20 "Earning Per Share", in case of Potential Equity shares which are anti-dilutive and their conversion to equity shares would either increase earnings per share from continuing ordinary activities or decrease loss per share from continuing ordinary activities. The effects of such anti-dilutive potential equity shares are ignored in calculating diluted earnings per share. Hence, Share Application Money Pending for allotment are not considered being anti-dilutive in nature in calculation of dilutive earnings per share

37. TAXES

No provision for current tax has been made during the year on account of losses incurred during the year. Deferred Tax Assets on account of carried forward losses and unabsorbed depreciation have not been recognized in the books of account in absence of virtual certainty of future profits.

38. Contingent Assets/ Liabilities and Capital Commitments

38.1. Contingent assets are neither recognized nor disclosed in the financial statements.

38.2. CONTINGENT LIABILITIES

Based on Management's evaluation, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations in the following cases:

A) Claims against the Company/disputed liabilities not acknowledged as debts

- (a) Claims against the company not acknowledged as debt - Rs. 50.67 Lakhs on account of Land license fees for construction of railway (Previous year Rs. 48.72 Lakhs).
- (b) The National Green Tribunal, Principal Bench, New Delhi on 10.12.2015 disposed-off all the cases filed against the company for getting free coal cinder (ash/fly ash containing high carbon content/un-burnt coal) in terms of Notifications of 1999 & 2009, with a direction that applicant industry will upgrade the plant and technology within six months.

Company approached for extension as upgradation was not possible within six months. NGT however was not satisfied with the progress made by applicant and granted extension of six months only, subject to payment of Rs. 300 Lakhs by applicant industry to the Madhya Pradesh Pollution Control Board, which will be utilized for environment, ecology & water supply of the area surrounding the applicant industry.

On the application of the company, NGT allowed extension of time upto 30th June 2017 by which appropriate steps must be taken. Applicant would be at liberty to move application for further extension only after showing progress for upgradation of plant and other infrastructure, which would be considered on merit. If no effective steps are taken, project proponent would be liable to pay more environment compensation.

In view of closure of the plant for up gradation company is making best efforts for early up gradation of the plant. The management is of the view that compensation will not be imposed by NGT in view of the facts & circumstances of the case.

The Company is in the process of filing the application for further extension of time. MP Pollution Control Board had to file complete details related to steps taken in relation to Chapter-5 of its earlier affidavit to Tribunal which is pending.

c). Disputed claims/Levies in respect of:

- I. Workers Union has filed a case against NEPA Ltd on behalf of Badli Workers. Based on the decision by District Court in favor of Workers Union, the Company has filed an appeal against the said case. The matter is still pending with the Hon'ble High Court, Jabalpur. Contingent liability upto 31.03.2021 is Rs. 4,511.33 Lakhs (Previous year Rs. 4,076.95/ Lakhs).
Apart from the above cases, three individuals have filed cases against the company related to service matters and the total claim amount is Rs. 1.67 Lakhs.



- II. Case filed by of piece rated workers of Sales Godown is pending in the Hon'ble High Court, Indore, Bench. Representative Union also filed an application before the Hon'ble High Court to make all the piece rated & badli workers as intervener. The High Court, Indore passed a proceeding order to make them intervener. The case is still pending before the Hon'ble High Court, Indore. Claim against the company not acknowledged as debt (excluding badli workers as per "I" above) as on 31.03.2021 is Rs.2785.10 Lakhs approximately (Previous year Rs. 2,515.39 Lakhs).
- III. Estimated liability of Rs. 51.36 Lakhs (Previous year Rs. 51.36 Lakhs) against various service matter cases filed against the company are pending before various forums.
- IV. Property Tax of Rs. 168 Lakhs pertaining to period upto 2010 has been waived by the Government of M.P. in terms of the Draft Rehabilitation Scheme sanctioned by Hon'ble BIFR. Further liability may not arise as company has been providing civic amenities to the township and incurring huge expenditure thereon. It was agreed at the level of Chief Secretary, Government of Madhya Pradesh to transfer all the civic amenities to Nagar Parishad with effect from 01 April 2017, approximately 300 Acres of land also is to be transferred. Nepa Limited is to continue supplying bulk drinking water for which Neapanagar Parishad would pay @ Rs. 7 per KL to Nepa Ltd in turn Nepa Limited would pay property Tax with effect from 01 April 2017. The decision on quantum of property tax is under discussion at Jabalpur High Court. Measurement survey of three hundred acres land is also in progress before handing over 300 acres of forest land. Estimated amount including Interest is Rs. 162.14 Lakhs on this account.
- V. Contingent liability Rs. 386.09 Lakhs (Previous year Rs. 327.29 Lakhs) is in respect of interest for the belated remittance u/s 7Q and 14B of the Employees Provident Fund and Miscellaneous Provisions Act, 1952. Further, BIFR vide order dated 27.05.2016 has directed the Provident Fund Commissioner to consider waiver of interest and damages as per their extant policy. The case is under consideration at EPFO HQ New Delhi.
- VI. Contingent liability of Rs. 238.17 Lakhs (previous year Rs. 285.92 Lakhs) towards maintenance and salaries for Level Crossing of Neapanagar at KMs 176A/523/25-27 for the F.Y. (12-13 to 16-17). As per audit Para raised by the CAG earlier, company is not liable for the said amount because the said level crossing is also being used by public at large. In view of the same, all the invoices have also been returned to Railways. There is no further correspondence on the matter. Hence, the amount has not been provided in the books.
- VII. Ex-employees after their retirement, have filed claims for gratuity for the temporary period prior to their regularization in employment, after the period specified for the purpose and without proper documentary proof. As claims relate to very old period and considerable time has since elapsed, it is difficult to quantify the amount. There are requests by other ex-employees for gratuity for the period of temporary service as mentioned above, by way of simple letters. In absence of documentary proof and records, a reliable estimate of the obligation, if any, cannot be made.
- VIII. Company has availed EPCG Scheme for import of capital plant & machinery. As on 31.03.2021, custom duty of Rs. 2,620 (Previous Year Rs. 2,576.00 Lakhs) have been saved, against which there is Export Commitment of Rs. 15,721 Lakhs. (Previous Year 2,600 Lakhs).

B) Guarantees

Bank Guarantee issued by Banks are outstanding by Rs 287.60 Lakhs (Previous year Rs. 287.60 Lakhs).

C) Others

- I. Appeal for which no provision is considered required as the company is hopeful of successful outcome in the appeals. There are uncertainties about the amount or timing of those outflows as it depends on completion



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of the appellate process. There is no assumption made and the amount is based on demand raised by the Departments.

Name of the Statute	Period to which Dispute Relates	Amount Disputed (Rs. In Lakhs)	Forum where the dispute is pending
Entry Tax	2008-09	4.49	M.P. Commercial Tax Appellate Board, Indore
VAT Tax	2009-10	75.65	M.P. Commercial Tax Appellate Board
Entry Tax	2009-10	7.16	M.P. Commercial Tax Appellate Board
VAT Tax	2010-11	10.42	M.P. Commercial Tax Appellate Board
Mandi Tax	1998	35.95	M P High Court, Jabalpur
Property Tax and Interest thereon	1993-94 to 2019-20	321.55	M.P. High Court, Jabalpur Bench

II. TDS Defaults of Rs. 21.87 Lakhs

TDS liability for all assessment years is either on account of short payment of TDS, short deduction of TDS or on account of interest on such short payment or late payment. The company is in the process of rectifying the demand.

III. The following outstanding demand of Rs. 235.92 Lakhs Previous year (Rs. 202.85 Lakhs) under Income Tax is not accepted by the Company and the Company is in the process of filing necessary rectification before the Income Tax Authorities in this regard:

(Amount in Rs. Lakhs)

Assessment Year	Demand under Section 156	Related to
2017-18	1.81	Assessment order 143(3)
2017-18	0.10	Penalty order 272A
2017-18	0.20	Penalty order 272A
2018-19	233.81	Assessment order 143(3)
TOTAL	235.92	

38.3. CAPITAL COMMITMENT (NET OF ADVANCE)

- (a) Estimated amount of contracts remaining to be executed on capital account is Rs.13,978 Lakhs (Previous year Rs. 16,365.83 Lakhs).
- (b) Company has finalized contracts for supply of indigenous & imported plant & machinery of Deinking Plant and for refurbishing/renovating both the paper machines and captive power plant and others works to the tune of approx Rs. 40,898.13 lakhs (Previous year Rs. 40,356.56 Lakhs). The Company has paid amount for supplies/advances/services to the tune of Rs. 29,422 Lakhs (Previous year Rs. 24,589.69 Lakhs) and balance is capital commitment on account of Revival Project.



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Further, the cost of project originally envisaged is subject to increase on account of technology enhancements/escalation/inflation/foreign exchange fluctuations etc. over the period and company has projected a revised cost of Rs. 43,400 Lakhs (Net of EPCG benefits of Rs. 2,400 Lakhs) Bankers are insisting on Government Guarantee for sanctioning of project loan. Since the current policy of GOI is not to provide guarantee, the Government of India was requested to fund the revised cost estimates on account of cost escalation (Rs. 14,900 Lakhs) as well as the component of Rs. 12,800 Lakhs that was initially to be funded through bank loan. A revised support package has been sanctioned by the Government of India/CCEA on 03 October 2018 as follows:

Sr.No.	Particulars	(Amount in Lakh)
1.	Infusion of additional equity towards financing the Revised Cost estimate - of RMDP including Rs 12,800 Lakhs as equity funding in lieu of bank loan.	Rs. 27,700
2.	Sanction of loan towards funds required for payment of Salary and wages and statutory dues of employees	Rs.10,158
3.	Sanction of fund in the form of 7% non -cumulative preference shares towards funding of voluntary Retirement Scheme	Rs.9,083
	Total	Rs.46,941
	Out of this following installments have been received. For RMDP project:- (i) Rs. 3,300 Lakhs (2018-19) (ii) Rs. 15,105 Lakhs (2019-20) (iii) Rs. 9,295 Lakhs (2020-21)	Rs. 27,700
	For Payment of Salary & Wages	Rs. 10,158
	For Payment of VRS	Rs. 4,654

(d) Based on this revised sanction the Revival and Mill Development (RMDP) is under implementation and is expected to complete at the earliest.

39. The accounts have been prepared on going concern basis despite losses for the year ended 31st March 2021 of Rs. 5,390.17 Lakhs (Previous year Rs. 7,125.76 Lakhs). The net worth of the Company has been completely eroded. Company was referred to BIFR in the year 1998 for its operational/financial restructuring and the Revival Scheme has been sanctioned by BIFR on 04.03.2014 with general terms and conditions. BIFR has appointed State Bank of India as Monitoring Agency, however, no reports from the SBI have been received so far. The Company has appointed a firm of chartered accountants as concurrent auditors in terms of BIFR order for reviewing and reporting the progress of Revival Scheme. The going concern of the company is entirely dependent on successful implementation and commencement of the RMDP.

40. SUNDRY DEBTORS

Hon'ble High Court, Allahabad has passed orders on winding up petition filed by the Company under Section 433 of the Companies Act against M/s. Jan Mandal, publisher of AAJ Hindi daily Newspaper from Varanasi, over non-realization of dues. The Company has also filed civil suit in July 1997 in the Court at District Judge, Khandwa for recovery of Rs. 242 Lakhs plus interest and the same is still pending for decision.

The order of winding up was challenged by the respondent before the Division Bench of Hon'ble High



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Court, Allahabad, and Uttar Pradesh in special appeal no. 225/99. The case has been decided in favour of Nepa Limited. The process for recovery of the amount is in progress.

41. Payment to Statutory Auditors

(Amount in Rs.)

Particulars	2020-21	2019-20
(i) Statutory Auditors Fees	1,75,000	1,75,000
(ii) Reimbursement of Audit Expenses	75,000	75,000
(iii) Tax Audit Fees	25,000	25,000
Total	2,75,000	2,75,000

42. Foreign Exchange Transactions:

a). Expenditure in Foreign currency

(Rs. in Lakhs)

Sr.No.	Particulars	2020-21	2019-20
1	For RMDP (Incl. advance)	10.41	250.48
	Total	10.41	250.48

b) Income in foreign currency Rs 0.00 (Previous year- Rs. 8,335.00).

c) CIF value of Imports.

(Rs. in Lakhs)

Sr.No.	PARTICULARS	2020-21	2019-20
1	Raw Materials	NIL	NIL
2	Capital Goods under RMDP	NIL	678.38
	TOTAL	NIL	678.38

43. Supplementary Information

Value of Imported and Indigenous Raw Materials and Stores & spares consumed:

(Amount in Rs. Lakhs)

Sr. No.	PARTICULARS	Raw Materials		Stores & Spares	
		2020-21	2019-20	2020-21	2019-20
1	Imported	NIL	NIL	NIL	NIL
2	Indigenous	NIL	NIL	NIL	NIL

44. Status of Secretarial Compliances

44.1. Directors on the Board of Company are appointed by Government of India. After vacancy of Independent Directors on the Board, on 18/02/2019 Smt., Kalpana Shrivastav was appointed by the GOI and on 20/02/2020 and Smt. Kamlawati Singh was appointed. On 31.03.2020 Board of Nepa Ltd



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is properly constituted as per requirement of Companies Act, 2013 and Corporate Governance Guidelines for CPSE by DPE.

- 44.2.** Company had issued shares to President of India and Governor of Madhya Pradesh during the period 17-02-2016 to 30-08-2016 and in 2019 and 2021 Company has applied for waiver of Stamp duty from the Competent Authority for the period 17-02-2016 to 30-08-2016 and final decision in the matter has not been made till completion of audit of Financial Year 2020-21.
- 44.3.** Charge Satisfaction form was already filled for borrowings by the company in earlier years but charges were not removed from ROC Charge Index Register and filled copy of the forms are not available with the Company as physical copies were submitted at that time instead of online filling.
- 44.4.** The cost records have been maintained by the company. However , no Cost Auditor were appointed for FY 20-21 so far by the company.
- 45.** The outbreak of Corona Virus (Covid-19) pandemic second wave caused significant disturbance and slowdown in economic activities globally. The Company's operations were impacted due to lockdown announced by different states of the India. The Company has considered such impact to the extent known and available in assessing the carrying amounts of Company's assets, investments, trade receivables and inventories. The impact of the global healthy pandemic may be different from that estimated as at the date of approval of these financial statements. Further the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration.
- 46.** Amounts reported in the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement are in Indian rupees rounded off to the nearest Rupees in Lakhs.
- 47.** Previous year figures have been re-grouped, re-casted, re-classified, and rearranged wherever necessary to have a proper comparison with current year figures as required under Schedule III of the Companies Act, 2013.

For Fadnis and Gupte LLP
Chartered Accountants
FR NO. 006600C

FOR AND ON BEHALF OF THE BOARD

(CA Vikram Gupte)
Partner
M.No. 074814
Place: New Delhi
Date: 09/12/2021

(P.K. Naik)
Director Finance
(Addl. Charge)
DIN [08676709](#)

(Cmde. Saurav Deb)
Chairman cum Managing Director
DIN [09068496](#)

(Ku. Purnima Parashar)
Company Secretary
M. No. A36079

(Nidhi Chhibber)
Nominee Director
DIN 03588215



Nepa Ltd

Addendum to the Directors' Report for the Financial Year 2020-21

Comments of C&AG

With reference to the Annual Report 2020-21 sent to the members of the Company, the comment of C&AG under section 143(6)(b) of the Companies Act-2013 on the accounts of the NEPA LTD for the year 2020-21 was received on 02.02.2022, The same forms part of the Directors' Report for the FY 2020-21 along with management reply.

For and on behalf of the Board of Directors

(SAURAV DEB)
Chairman & Managing Director
DIN 09068496

New Delhi
Date: 17.02.2022



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NEPA LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of NEPA Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 09 December 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NEPA Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6)(b) of the Act which have come to my attention and which in my view is necessary for enabling a better understanding of the financial statements and the related audit report.

A. Comments on Profitability

A.1 Trade Receivables (Note 15): ₹3.18 crore

Out of the total Trade receivables of ₹6.05 crore, the Company has identified ₹5.11 crore as doubtful. However, provision for doubtful debts has been made only for ₹2.88 crore. Non-provisioning for the remaining doubtful debts has resulted in overstatement of Trade



NEPA LIMITED

receivables and understatement of loss for the year by ₹2.23 crore (₹5.11 crore *minus* ₹2.88 crore).

**For and on behalf of the
Comptroller & Auditor General of India**

**(Rina Akoijam)
Director General of Audit
(Industry & Corporate Affairs)
New Delhi**

Place: New Delhi

Date: 02/02/2022



Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013, on the financial statements for the Financial year ended 31st March 2021 and Management reply thereto

Comments of CAG	Management Reply
<p>A. Comments on Profitability A.1 Trade Receivable (Note: 15): Rs. 3.18 Crore Out of total trade receivable the Company of Rs. 6.05 Crore the company has identified Rs. 5.11 crore as doubtful. However, provision for doubtful debts has been made only for Rs. 2.88 Crore. Non-Provisioning for the remaining doubtful debts has resulted in overstatement of Trade receivables and understatement of loss for the year by Rs. 2.23 Crore (Rs.5.11 Crore minus Rs. 2.88 Crore)</p>	<p>Amount of Rs. 5.11 Crore being considered as unsecured trade receivables considered doubtful. Provision for Rs.2.88 Crore is made as the remaining amount of is against the water supply charges receivable from Nagar Palika Parishad Napanagar Meeting was conducted with Nagar Palika Parishad Napanagar representative to consider the payment of above mentioned dues and positive commitment is received from them. Accordingly, the provision of Rs. 2.88 Crore is only considered in the Financial Statements of the company. Accordingly, there is no overstatement of Trade receivables and understatement of Loss for the year by Rs. 2.23 Crore (Rs. 5.11 Crore Minus Rs. 2.88 Crore)</p>

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