



नेपा लिमिटेड

(भारत सरकार का उपक्रम)

NEPA LIMITED

(A Govt. of India Undertaking)

73RD
वाँ

Annual Report

वार्षिक प्रतिवेदन

2019-2020

NEPA LIMITED, NEPANAGAR

Board of Directors



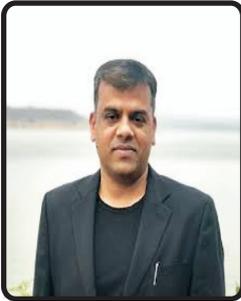
P. K. Naik
Director (Finance)



Shri C. Ananda
CMD



Smt. Sukriti Likhi
Director



Shri H. S. Mohanta
Director



Smt. Kalpana Shrivastava
Independent Director



Smt. Kamlawati Singh
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 73rd Annual General Meeting of the Company.

The Directors' Report on the working of the Company, Financial Statement for the year 2019-20, 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 slow down in economic activities globally. The Company's operations were impacted due to suspension of Capitalization of RMDP project from 25th March, 2020 to 14th April, 2020 following the nationwide 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 2019-20 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,

Chairman



BRIEF PROFILE OF THE COMPANY

Nepa limited is a pioneer Newsprint Company of India centrally situated at Neapanagar, District Burhanpur in Madhya Pradesh. 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 Newsprint and it was the only newsprint 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 a revival 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 C. Ananda Chairman Cum Managing Director

Smt. Sukriti Likhi

Shri H.S. Mohanta

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 & CFO E. mail: secretary@nepamills.nic.in. Ph : 07325-222167</p> <p>Sh. R. Alagesan G.M. (Works & Project) E. mail : gmpw@nepamills.nic.in Ph: 07325-222273</p> <p>Sh. N.R.A. Khan D.G.M. (Works & Project) E.mail: marketing@nepamills.nic.in Ph: 07325-222178</p> <p>Sh.Arun Mishra D.G.M. (Project) E.mail:commercial@nepamills.nic.in Ph: 07325-222242</p> <p>Sh. Ajay Goel D.G.M. (Project & Mech.) E-mail:mechanical@nepamills.nic.in</p>	<p><u>Delhi Office:</u></p> <p>Avhijit Chatterjee Manager (P & A) E.mail: nepadelhi@nepamills.nic.in Ph:011-24615894</p> <p><u>Hempur Office:</u></p> <p>Avhijit Chatterjee 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></p> <p>Delhi Office:</p> <p>D-165, Defence Colony, New Delhi-110024</p> <p>Hempur Office: 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 Bank of India
	Secretarial Auditors	
	IG & Associates Company Secretaries, Indore	



To,
The Members,
Nepa Limited

NOTICE is hereby given that the 73rd Annual General Meeting of the members of Nepa Limited will be held on Wednesday, 30th day of December, 2020 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, 2020, the Balance Sheet, profit & Loss Account and Cash flow as on that date and the reports of Directors and Statutory Auditors and the comments of the Comptroller and Auditor General of India, thereon.
2. To appoint a director in place of Shri. H.S. Mohanta, who retires by rotation and being eligible, offers himself 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)/554 DATED 19.08.2020 for Financial Year 2020-2021

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 provision of Section 61, 64 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed there under (including any statutory modification or re-enactment thereof, for the time being in force) and the provisions of Memorandum of Association and Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the authorities concerned, the consent of members of the company be and is hereby accorded for the sub-division of 277616328 equity share of nominal value Rs. 10/- (Rupees Ten only) of the Company be sub-divided into 555232656 equity shares of nominal value of Rs. 5/- (Rupees Five only) each and consequently, the authorized share capital of the Company is Rs. 5,40,00,00,000 /- (Rupees Five hundred Forty Crores Only) shall comprise of 1,08,00,00,000 (One hundred eight crore) equity shares of Rs. 5/- (Rupees five only) each.

RESOLVED FURTHER THAT pursuant to the sub-division of 277616328 equity shares of the Company, all issued, subscribed and paid up equity shares of nominal value Rs. 10 /- (Rupees Ten



only) of the Company shall stand sub-divided into equity shares of nominal value Rs. 5/- (Rupees Five only) each .

RESOLVED FURTHER THAT upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of Rs. 10/- (Rupees Ten only) each held in physical form shall be deemed to have been automatically cancelled and be of no effect and Company may without requiring the surrender of existing share certificate(s) directly issue and dispatch the new share certificate(s) of the company, in lieu thereof, subject to the provisions of the Companies (Share Capital and Debentures) Rules, 2014 and the Company shall undertake such actions as may be necessary in relation to the existing equity shares of the Company.

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

“RESOLVED THAT pursuant to the provisions of section 14, 61, 64 and other applicable provisions, if any, of the Companies Act 2013, including any statutory modifications or re-enactments thereof, for the time being in force, and consent of the members of the Company be and is hereby accorded for deletion of Clause 4 of the Articles of Association of the company and that the following new Clause 4, be and is hereby Substituted therefore

4. The Authorized Share Capital of the Company is:

- (i) Rs. 5,40,00,00,000 (Five hundred Forty Crores Only) divided into 1,08,00,00,000 (One hundred eight crore) equity shares of Rs. 5/- (Rupees five only) each.
- (ii) Rs. 1,50,83,00,000 (One Hundred Fifty Crores Eighty Three Lacs only) divided into 1508300 7% Non Cumulative Preference share of Rs. 1000 each.

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

“RESOLVED THAT pursuant to the provisions of section 13 other applicable provisions, if any, of the Companies Act 2013, including any statutory modifications or re-enactments thereof, for the time being in force, consent of the members of the Company be and is hereby accorded for deletion of Clause V of the Memorandum of Association of the company and that the following new Clause V, be and is hereby Substituted therefore

- V. The Authorized Share Capital of the Company is:

- (i) 5,40,00,00,000 (Five hundred Forty Crores Only) divided into 1,08,00,00,000 equity Share of Rs. 5 Each.
- (ii) Rs. 1,50,83,00,000 (One Hundred Fifty Crores Eighty Three Lacs only) divided into 1508300 7% Non Cumulative Preference share of Rs. 1000 each

By Order of the Board of Directors

Purnima Parashar

Company Secretary

Date : 26/12/2020

Place : Nepanagar



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, 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, 2020 to 29th December, 2020 (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) form Indore, as the Scrutinizer for this purpose.
7. Remote e-voting will commence at 9.00 a.m. on 27th December, 2020 and will end at 5.00 p.m. on 29th December, 2020, 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, 2020 (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, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.nepamills.nic.in. The EGM/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 2020 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) Purva Sharegistry (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 EGM/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 EGM/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 EGM/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***
---	---

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 EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/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 EGM/AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the EGM/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 Evoting at the meeting shall be in proportion to their shares of the paid up equity share capital of the Company as on 24th December, 2020.
12. The result on resolutions shall be declared on or before the closing business hours on 2nd January, 2021 and will be available on the website of the Company. The resolutions will 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 Evoting at the AGM.
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 scrutinizer, by use of venue E-voting 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 scrutinizer'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. 1, 2 & 3 contained in the Notice of meeting)

Item No. 1 & 2

As per sanctioned BIFR scheme , company need to consider disinvestment after completion of its RMDP for which uniformity in face value of Equity Share of the company is considerable.

There is no change in authorized and paid-up capital of the company due to proposed sub-division only number of Equity share going to increase.

The Board of Directors in its meeting held on 26/12/2020 recommended sub-division of 277616328 equity shares from the Face Value of Rs. 10/- to Face Value of Rs. 5/- per share. Consequently, the authorized share capital of the Company is 5,40,00,00,000 (Five hundred Forty Crores Only) divided into 1,08,00,00,000 equity Share of Rs. 5 Each.

The aforesaid sub-division of equity shares of Rs. 10/- each into equity shares of Rs. 5/- (Rupees five only) each would require amendment to existing clause 4 of the Article of the Association and Capital Clause V of the Memorandum of Association.

Pursuant to the provisions of Section 13, Section 14, Section 61 of the Companies Act, 2013 approval of the members is required for sub-division of shares and consequent amendment to Clause V of the Memorandum of Association.

The Board recommends the Ordinary Resolutions set out at Item No. 4 and Special Resolution set out at Item No. 5 & 6 of the Notice for approval by the shareholders.

A copy of the Article of Association & Memorandum of Association along with proposed amendments will be open for inspection by the Members at the Registered Office of the Company during business hours on all working days upto the date of this meeting.

None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions, except to the extent of equity shares held by them in the Company.

The board recommends this resolution for your approval

By Order of the Board of Directors

Purnima Parashar
Company Secretary

Date : 26/12/2020

Place : Bhopal

**FIVE YEAR DIGEST**

					(Rs. In Lacs)
	2019-20	2018-2019	2017-2018	2016-2017	2015-2016
Production	0	0	0	4482	21826
Revenue from Operation	1243.32	1187.67	1024.70	3031.36	7099.34
Profit before interest & Depreciation	(-7206.03)	(-7756.87)	5779.80	(4592.56)	(4840.60)
Interest	2894.15	3131.49	2664.46	2555.79	2068.77
Cash Surplus / Deficit	(-7125.76)	4625.38	3115.34	(7148.35)	(6909.38)
Depreciation	93.86	100.34	107.01	91.63	99.93
Net Profit / Loss before prior period items	(-7125.76)	-7856.99	3008.33	(7239.38)	(7009.31)
Equity Share Capital	29537.78	52466.95	52466.95	52466.95	44791.96
Loan (Excl. Interest)					
Long Term	4169.6	687.2	1729.00	3452.20	4693.20
Short Term	3427.54	2468.91	3498.72	6195.89	3361.69
Net Fixed Assets (Excl. Capital Work-in-Progress)	1575.41	1723.21	1832.54	2013.20	1570.62
Current Assets	26783.04	14714.34	14766.60	12492.60	20865.51
Current Liabilities (Incl. unpaid interest on Loans)	41029.11	34227.97	29503.00	27107.37	18349.09
Working Capital	(-14246.07)	(-19513.63)	(14736.40)	(14614.77)	2516.42
Capital Employed	(-12670.66)	(-17790.42)	(12903.90)	(12601.57)	4087.04
Net Worth (Incl. Share application money pending for allotment)	(-11889.28)	(-9707.97)	(1929.12)	(4941.53)	1872.14
Earnings (Net Profit) to Sale (%)	(-5.73)	0	0	(238.82)	(98.73)
Number of Employees	338	370	705	754	811



EMPLOYMENT COST SUMMARY

		(Rs. in Lakhs)				
S. No.	Particulars	2019-20	2018-19	2017-18	2016-17	2015-16
(A)	SALARY & WAGES TOTAL (A)	1529.99	2784.71	2943.15	2838.92	2735.99
(B)	EMPOLYEEES BENEFITS :					
	Provident Fund & Others	199.43	304.67	315.89	346.79	336.42
	Gratuity	614.16	591.19	513.84	189.43	99.84
	Township	114.76	178.2	145.2	141.75	145.23
	Education	0	0	0	0	72.21
	Medical	81.09	127.75	92.88	107.20	119.09
	Othere Benefits incl. Leave Travel concession, cultural activities	51.76	55.96	55.30	48.74	38.48
	TOTAL (B)	2591.19	1257.77	1123.11	833.91	811.27
(C)	Payment of Employees under VRS and Previous Year exp.					
	not shown in earlier year :					
	Voluntary Retirement Schemes (VRS)	2658.31	896.31	0	482.22	0
	Gratuity	0.49	125.13	0	14.40	0
	Leave Encashment	115.04	466.05	0	25.81	0
	TOTAL (C)	2773.84	1487.49	0	522.43	0
	TOTAL (A + B + C)	6895.02	5529.97	4066.26	4195.26	3547.26
	Number of Employees	338	370	705	754	811
	Average Salaries, Wages etc. per employees per Annum (Rs.)	452660	752627	417468	376515	337360
	Average cost of employees benefit per employees per Annum (Rs.)	766624	3399	159306	110598	100033
	Average Employment Cost per employees per Annum (Rs.)	1219284	1495	576774	487113	437393



DIRECTORS' REPORT TO THE SHAREHOLDERS

To

The Shareholders,

Nepa Limited

Ladies & Gentlemen,

Directors of your company have pleasure in presenting the 73rd Annual Report of the company for the Financial Year ended 31st March 2020 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 2019-20 together with corresponding figures for the Previous Year are given below:

PARTICULARS	(Rs. in Lacs)	
	2019-2020	2018-2019
INCOME		
Sales of Newsprint	–	–
Sales of Petrol/Diesel/Lubricant	1105.55	1046.04
Other Operating Income	137.77	141.63
Total Income	1243.32	1187.67
EXPENDITURE		
Raw Materials	–	–
Manufacturing Expenses	342.95	334.59
Purchase of Petrol/Diesel/Lubricant	1062.39	983.02
Change in inventories of Finished Goods / Stock	92.32	143.06
Employee Remuneration & Benefits	5131.90	4760.59
Expenses on Administration, Township, Social Overheads and Selling & Distribution Expenses	576.47	411.17
Total Expenditure	7206.03	6632.43
Operating Profit/(Loss)	(5962.71)	(5444.76)
Interest Income / (Expenses) – Net	(2894.15)	(3133.36)
Less : Depreciation	(93.86)	(96.33)
Add : Other Income	1824.96	895.62
Profit / (Loss) after Depreciation & Interest	(7215.76)	(7778.83)
Prior Period Adjustments	–	–
Net Profit / (Loss)	(7125.76)	(7778.83)
Accumulated Profit / (Loss)	(49081.06)	(68189.85)



2. Production & Sale

During the year 2019-20 no production activities were carried out, as the Paper machines have been stopped completely for Revival and Mill Development Plan (RMDP) work from 25.07.2016. Total sales during the year was Nil (For no stock in hand)

3. Operation

During the year (2019-20), 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 work is in progress now and expected to be completed by early 2021.

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 2020 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&FS 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), Kolkatta 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

After implementation of RMDP, the technology chosen is Eco friendly technology & it has been chosen by the company to manufacture the newsprint by using waste paper as raw material. The process is cost effective and pollution free. In this RMDP Following measures are prominent for curbing pollution:

- Latest technology solid waste handling system (Sludge handling system) is added to recover the fibre as well as the E.T. Plant with latest equipment is incorporated for augmentation for waste water treatment plant to meet zero Liquid discharge, Which is the need of the day.
- E.T. Plant will have real time Continuous Effluent monitoring system (CEMS) to monitor effluent parameters, as desired by CPCB/MPPCB to maintain environmental norms.
- To control air pollution in Power house new, four field Electro static precipitator (ESP) has been considered. Also Plant will also have dust suppression system and bag filters to trap fugitive emissions near coal & Ash handling systems. For maintaining sulphur emissions chimney height is increased to 80 Mtrs in comparison to earlier 45 Mtrs. And further to curb the emission, lime stone feeding system is also introduced These are the norms required to be maintained as per MPPCB.
- To monitor the air pollution of Power Plant, online Continuous stack Emission Monitoring System (CSEMS) will be installed.
- Hazardous waste, disposal i.e. used oil is being disposed through 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 Encouraged around township during Environment day year to year to maintain clean, green and healthy environment, as nepa mill is having abundant available land.

10. Research & Development and Quality & Technology

Our Research & Development (R&D) Center is situated in the heart of the mill premises equipped with modern facilities. Its registration is renewed in January 2020 from Department of Scientific and Industrial Research (DSIR) Ministry of Science and Technology, Government of India and is valid for coming three year. Experiments and trials in R&D centre have given Nepa Ltd. a new vision.

Our Quality Control team plays a vital role in testing of raw material, chemicals and other incoming material with respect to the quality specifications. Under RMDP renovation of quality Control and



R&D have also been considered. Now in the coming days laboratory will be equipped with most modern equipment's.

In addition to this, Water testing is also carried out for power house, other process use as well as for domestic use at Nepa Mill Laboratory to ensure the quality of treated drinking water supplied to Nepanagar township, after its treatment in Nawtha Treatment Plant. The samples are taken periodically for testing to decide the dosing of chemicals for water treatment also periodically our potable water is being tested at indore lab for its bacterial count. (MPN test).

Looking to the ongoing RMDP work, product diversification and change in manufacturing process to produce good quality Writing Printing paper and improved Newsprints grades is expected. In times to come our company expects to continue its contribution in Research & Development in the field of paper technology.

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 23 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 175 employees participated. In addition, the company has also conducted 2 outstation programmes on Accidental Reporting investigation & Analysis and Knowledge Management System(Samanvay Portal), in which 4 employees participated. Company is also marching ahead with “Prime Minister Kaushal Vikas Yojana” as well as “Swachch 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 precaution 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 31.03.2020 was 338 (comprising of 119 Executives, 154 Non-executives & 65 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, 2020 is shown in Annexure–I attached.

16. Position of women employees

The particulars of women employees in the Company as on March 31, 2020 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 21.09.2019.

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. 2019-20 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

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 2020 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 2019-20 vide CA.V/COY/CENTRAL GOVERNMENT, NEPA (1)/586 dated 08.08.2019 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,2020 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,2020.

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 Bagchi & Gupta Chartered Accountant were 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 I G & Associates, a Practicing Company Secretary to undertake the secretarial audit of the Company for the financial year 2019-20. 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 2020 are given in Annual report.

43. Postal Ballot:

Below Mentioned resolutions were passed through postal ballot during last year. As per cabinet approval the funds released for RMDP and VRS needs to be converted to equity in the name of President of India. Accordingly Rs. 33 Crores were received for project funding & Rs. 16.54 Cr. for VRS towards converting these funds into equity and 7% non cumulative preference share respectively. But Before allotment as per BIFR Sanctioned Scheme company has to reduce Equity Paidup Share Capital. Board approval for the same taken on 18.06.2020 and Shareholder approval by Postal ballot which was conducted from 8th July 2019 to 7th August 2019 and result was declared on 10th August 2019. The result of the postal Ballot is as follows:

Special Resolution under Section 61 of the Companies Act, 2013, to approve de-rating of share as per sanctioned BIFR scheme	Resolution Passed with requisite majority
Special Resolution under Section 62 of the Companies Act, 2013, for allotment of Equity Share	Resolution Passed with requisite majority
Special Resolution under Section 55 of the Companies Act, 2013, for allotment of 7% non cumulative preference share	Resolution Passed with requisite majority
Special Resolution under Section 61 of the Companies Act, 2013, for increase in authorized share capital of the company.	Resolution Passed with requisite majority
Special Resolution under Section 14 of the Companies Act, 2013, for amendment in Articles of Association of the company clause 4	Resolution Passed with requisite majority
Special Resolution under Section 13 of the Companies Act, 2013, for amendment in Memorandum of Association of the company clause V	Resolution Passed with requisite majority

During the year authorized capital of the company has been increased from Rs.525 Crore to Rs.690.83 Crore



44. Board meetings

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

S. No.	Date	No. of Directors Present
1	18.06.2019	4
2	22.08.2019	3
3	22.10.2019	3
4	30.03.2020	3

45. Audit Committee

The Audit Committee held Four meetings during the year.

S. No.	Date	No. of Members Present
1	18.06.2019	3
2	22.08.2019	2
3	22.10.2019	2
4	30.03.2020	3

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 Shrivastav	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

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

1. Tenure of Director Finance Shri Ravindra Kumar completed on 01.05.2019
2. Tenure of CMD Shri A.N. Sonale Completed on 30.10.20219 relived on 24.12.2019
3. Tenure of Part time official Director Shri Anil Kumar Khare completed on 19.11.2019
4. Shri H.S. Mohanta is appointed as Part time official Director w.e.f. 19.11.2019
5. Shri P.K. Naik appointed as Director Finance (Add. Charge) w.e.f. 02.05.2019



6. Shri C Ananda appointed as CMD (Add. Charge) w.e.f 18.12.2019
7. Smt. Kamlawati Singh appointed as Independent Director w.e.f. 20.02.2020
8. Ku. Purnima Parashar appointed as CFO along with Original Capacity of CS w.e.f 18.06.2019

47. Status of marketability of News print 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 Million tonnes.

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		
		Indian	Global	Indian
	Global			
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, GoI will pave the way for completion of works partly in the end of year 2020 (November 2020).

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 by the end of third quarter of FY 2021 and trial-commissioning phase will be at full swing. Subject to return of all contractors at site with full workforce at the earliest possible time. 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 suspension of Capitalization of RMDP project from 25th March, 2020 to 14th April, 2020 following the nationwide 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.

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
HARI SHANKER MOHANTA
Director

DIN : 08684509

PRADEEP KUMAR NAIK

Director Finance

DIN : 08676709

Date : 26/12/2020

Place : Bhopal

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

Position regarding employment of Scheduled Castes/Scheduled Tribes, Ex-Servicemen/OBC etc. as on 31.03.2020

1. Representation of SCs/STs/OBCs

Group	Total No. of employees	No. of SC	%	No. of ST	%	No. of OBC	%
A.	76	5	6.58	1	0.00	14	18.42
B.	141	7	4.96	3	2.13	20	14.18
C.	50	5	10.00	1	2.00	2	4.00
D.	6	6	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.	76	—	—	—	—	—	—
B.	141	—	—	—	—	—	—
C.	50	—	—	—	—	—	—
D.	6	—	—	—	—	—	—

3. Representation of Persons with Disabilities (PwD)

GROUP	TOTAL NO. OF EMPLOYEES	NO. OF PHYSICALLY CHALLENGED	CATEGORY OF PHYSICALLY CHALLENGED
A	76	0	—
B	141	0	—
C & D	56	0	—



ANNEXURE-II TO THE DIRECTOR'S REPORT
Representations of Female Employees as on 31-03-2020

	PAY SCALE	NO. OF EMPLOYEES	NO. OF FEMALE EMPLOYEEES	%
A	EXECUTIVES			
	22500-27300	0	0	0
	20500-25000	0	0	0
	18500-23900	1	0	0
	17500-22300	3	0	0
	16000-20800	2	0	0
	14500-18700	19	1	5.26
	13000-18250	23	1	4.35
	10750-16750	12	0	0
	8600-14600	16	0	5.26
	6550-11350	7	1	14.29
	TOTAL-A	83	3	3.61
B	NON-UNIONISED SUPERVISOR			
	6000-9040	36	4	11.11
	TOTAL-B	36	4	11.11
C	WORKMEN			
	5900-8845	13	2	15.38
	5800-8760	15	2	13.33
	5650-8680	70	2	2.86
	5350-8350	0	0	0
	5250-8060	56	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	154	8	5.19
	GRAND TOTAL (A+B+C)	273	15	5.49



ANNEXURE-III

FORM 'A'

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

Particulars	Unit	2019-20	2018-19
I. NEWSPRINT			
Power and Fuel Consumption			
1. Electricity :			
(a) Purchased Units (MPEB Grid)	KWH	3153100	**29992950
Total amount	Rs. Lacs	303.99	**281.29
Cost / Unit	Rs.	9.76	**9.30
(b) Own Generation Units			
(i) Power House	KWH	NIL	NIL
(ii) DG Set	KWH	NIL	NIL
(c) Total Unit (a+b)		31553100	** 2992950
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)****(A) 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
4	Expenditure of R&D	1. To assist in up-gradation of ET Plant so as to meet zero liquid discharge
		(a) Capital NIL (b) Recurring 195.67 Lakh (c) Total 195.67 Lakh
(B)	TECHNOLOGY ABSORPTION ADAPTATION AND INOVATION	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 – Rs. 83350 (Previous Year NIL) (ii) Used (Procurement of OIN) – NIL

For & on behalf of the Board
HARI SHANKER MOHANTA
 Director
 DIN : 08684509
PRADEEP KUMAR NAIK
 Director Finance
 DIN : 08676709

Date : 26/12/2020**Place : Bhopal**



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.

COMPOSITION OF THE BOARD

As on 31st March, 2020, 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(F) and 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 2019-20, 4 Board Meetings were held on 18th June 2019, 22nd August 2019, 22nd October 2019, 30th March 2020.

Details of number of Board meetings attended by the directors, attendance at the last Annual General Meeting, number of other directorship held during the year 2019-20 are as follows:

S. No.	Name of Director	Category of directorship	Attendance		Number of other Board or Committees	
			BM	Last AGM	Board Chair-Person	Committee Chair-Person Member
1	#Shri A.N. Sonsale	Chairman cum Managing Director	3	Yes	1	-
2.	**Shri C Ananda	Chairman cum Managing Director	0	NO	1	-
3.	****Shri .P.K.Naik	Director (Finance)	1	Yes	-	-
4.	Smt. Sukriti Likhi	Part-time Official Director	3	No	-	-
5.	*Shri Anil Kumar Khare	Part-time Official Director	1	No	-	2
6.	*Shri H.S.Mohanta	Part-time Official Director	1	No	-	2
7.	Smt. Kalpana Shrivastava	Independent Director	4	No	-	3
8.	**Smt. Kamlawati Singh	Independent Director	1	No	-	2

* Shri. H.S.Mohanta Director of the company w.e.f. 19.11.2019 vice Shri Anil Kumar Khare.

** Smt. Kamlawati Singh Independent Director of the Company w.e.f. 20.02.2020

*** Shri C Annda CMD w.e.f. 18.12.2019

****Shri P.K. Naik Director Finance w.e.f.02.05.2019

Shri A.N. Sonsale CMD Nepa Ltd tenure completed on 30.11.2019 relived on 24.12.2019

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

1. Smt. Kamlawati Singh

A Post Graduate and social worker having vast experience in the field of social welfare

2. Shri C. Ananda

A MBA currently designated as Executive Director BHEL having vast technical experience.

3. Shri P.K. Naik

Currently designated as AGM BHEL having vast experience in the field of finance.

Names of other Companies in which the person holds the Directorship

Name of Director

Name of Companies

1. Cmde A N Sonsale

Nagaland Pulp & Paper Company Ltd.

Hindustan News Print Ltd.

Jadishpur Paper Mill Ltd.



	National Bicycle Corporation of India Ltd.
	Hindustan Paper Corporation Ltd.
	National Safety Council (Member, Board of Governors)
	SCOPE (Member, Executive Council)
2. Smt. SukritiLikhi	Cement Corporation of India Limited Engineering Project (India) limited Tumakuru Machine Tool Park
3. Shri. H.S.Mohanta	M.P. State Mining Corporation Limited
4. Smt. Kalpana Shrivastava	—
5. Smt. Kamlawati Singh	—
6. Shri C Ananda	—
7. Shri P.K.Naik	— -

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.

1.	Capt. Anil Kumar Khare	Member till (19.11.2019)
2.	Smt. Kalpana Shrivastava	Chairperson (From 07.03.2019)
3.	Sh. H.S.Mohanta	Member (From 30.03.2020 till 25.09.2020)
4.	Smt. SukritiLikhi	Member (From 07.03.2019 till 25.09.2020)
5.	Shri P.K.Naik	Member (from 25.09.2020)
6.	Smt. Kamlawati Singh	Member (From 30.03.2020)

During the F. Y. 2019-20, four meeting have been held on 18th June 2019, 22nd August 2019, 22nd October 2019. and 30th March 2020 Details of the member's attendance are as follows:



S. No.	Name of Member	Status	Attendance in Meetings
1.	Capt. Anil kumar Khare	Member	1
2.	Smt. Kalpana Shrivastava	Chairperson	4
3.	*Shri H.S.Mohanta	Member	0
4.	Smt. SukritiLikhi	Member	3
5.	**Kamlawati Singh	Member	1
6.	Shri P.K.Naik	Member	1

* Shri H.S.Mohanta Kalpana Shrivastava Director of the company w.e.f. 19.11.2019 vice Capt. AnilKumar Khare

** Smt. SukritiLikhi Independent Director of the Company w.e.f. 20.02.2020

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. During the F.Y. 2019-20, one meeting of the committee was held during the year on 18.06.2019.

The composition of the Stakeholders Relationship Committee is as under:

1. Sh.Anil Kumar Khare Chairperson & Member (Till 07.03.2019)
2. Smt. Kalpana Shrivastava Chairperson (from 07.03.2019)
3. Cmde A.N. Sonsale Member (From 07.03.2019 till 24.12.2019)
4. Shri C Ananda Member (From 30.03.2020)

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration committee comprises non-executive Directors of the Company. one meeting of the committee was held during the year on 18.06.2019. 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 to 25.09.2020)
3. Capt Anil Kumar Khare Member (Till 19.11.2019)
4. Cmde A.N. Sonsale Member (Till 24.12.2019)
5. Smt. Kamlawati Singh Member (from 30.03.2020)
6. Mr. H.S. Mohanta Member (From 30.03.2020 to 25.09.2020)

4. General Body meetings:

Year	Location	Date	Time
2016-17	Nepa Auditorium, Nepanagar – 450221 (M.P.)	26 th September,2017	4.00 PM
2017-18	Nepa Auditorium, Nepanagar – 450221 (M.P.)	26th September,2018	4.00 PM
2018-19	Nepa Auditorium, Nepanagar – 450221 (M.P.)	12th December, 2019	4:00 PM

During the F.Y. 2019-20 following resolution were passed through postal ballot.



Special Resolution under Section 61 of the Companies Act, 2013, to approve de-rating of share as per sanctioned BIFR scheme	Resolution Passed with requisite majority
Special Resolution under Section 62 of the Companies Act, 2013, for allotment of Equity Share	Resolution Passed with requisite majority
Special Resolution under Section 55 of the Companies Act, 2013, for allotment of 7% non cumulative preference share	Resolution Passed with requisite majority
Special Resolution under Section 61 of the Companies Act, 2013, for increase in authorized share capital of the company.	Resolution Passed with requisite majority
Special Resolution under Section 14 of the Companies Act, 2013, for amendment in Articles of Association of the company clause 4	Resolution Passed with requisite majority
Special Resolution under Section 13 of the Companies Act, 2013, for amendment in Memorandum of Association of the company clause V	Resolution Passed with requisite majority

During the year authorized capital of the company has been increased from Rs.525 Crore to Rs.690.83 Crore

5. Disclosures:

(i) Details of remuneration paid to Functional Directors during the Financial Year 2019-20 are under:

Sl. No.	Particulars	CMD Cmde AN Sonsale	Director (Finance) Sh. Ravindra Kumar
a.	Salary & Allowances	4.33	1.20
b.	Contribution to PF	0.85	0.12
c.	Other Benefits		
	Total	5.18	1.32



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. 2019-20 are Rs.29000/-

(ii) 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.

(iii) 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.

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

6. 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.

7. 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
HARI SHANKER MOHANTA
Director

DIN : 08684509

PRADEEP KUMAR NAIK

Director Finance

DIN : 08676709

Date : 26/12/2020

Place : Bhopal



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, 2020, 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) Composition of Board of Directors.
 - (b) Gap between two Board Meetings.
 - (c) Meeting of Independent Directors.
 - (d) Meeting of Management Committee.
 - (e) Composition and other conditions related to Audit Committee.
 - (f) Meeting of Audit Committee.
 - (g) Composition of Nomination and Remuneration Committee.
 - (h) Risk Assessment and Management System.
 - (i) 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 : 25.12.2020

Dinesh Kumar Gupta

Practicing Company Secretary

M. No. : 5396 CPNo. 4715

UDIN: F005396B001657266



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, 2020

[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 : Nepa Nagar,

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, 2020 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, 2020 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 form time to time. **Not Applicable.**
 - (c) The Securities and Exchange Board of India (Issue of capital and Disclosure Requirements) Regulations 2009, as amended form 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 but not 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 01.12.2020 which is annex as (Annexure II) and forms and integral part of this report.

Date: 01/12/2020

Place: Indore (MP)

FOR I G & ASSOCIATES
COMPANY SECRETARIES

ISHA GARG
(PROPRIETOR)

M.NO. FCS: 9955 COP No: 12184

PEER REVIEW NO.: 914/2000

UDIN: F009955B001366244

**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 2019-20.

2. Delayed filing of returns / notice with ROC:

- i. During Audit, we observed that the company has not timely filed the statutory forms with the Registrar of Companies, within the prescribed statutory time limit for the Financial Year 2019-2020.
- ii. The Company has not filled Form No. AOC-4 XBRL (Form for filing XBRL document in respect of financial statement and other documents with the Registrar) Pursuant to section 137 of the Companies Act, 2013 and rule 12(2) of the Companies (Accounts) Rules,2014] for the Financial Year 2018-2019 till date.
- iii. The Company has not filled Form SH-7 and Form PAS-3 for increases in Authorized Capital and Allotment of Shares respectively for the resolution passed by postal ballot notice dated 18.06.2019.

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 31.03.2020. 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. Independent Director :

During Audit, we observed that the company has not complied with the provisions of section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Qualification of Director) Rules, 2014 regarding appointment of at least Two Independent Directors. During the financial year 2019-2020 only one Independent Director was appointed and the second Independent Director Mrs. Kamlawati Singh (DIN: 08710113) was appointed in the 394th Board Meeting held on 30.03.2020 w.e.f. 20.02.2020. There is non-compliance from the period 01.04.2019 to 19.02.2020.

5. Board Meeting and Committee Meeting:

i. Separate meeting of Independent Directors:

As per Section 149(8) and clause VII of Schedule IV the independent directors of the company shall hold at least one separate meeting of Independent Directors in a year.

No separate meeting of Independent Directors has been conducted during Financial Year 2019-20.

ii. Management Committee Meeting.

As per BIFR Sanction Scheme, Management committee to review implementation of revival scheme should be constituted and the committee should monitor the progress on monthly basis.

No meeting of Management Committee has been conducted during Financial Year 2019-20.

iii. Gap between Two Board Meetings.

The Company has not complied the provision of Section 173 (1) regarding gap between two consecutive meetings of the Board.

As per the provision of Section 173 (1) company should hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

6. Constitution of Committees.

During Audit, we observed that the company has not complied with the provisions of section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment & Qualification of Director) Rules, 2014 regarding appointment of at least Two Independent Directors and due to non compliance in appointment of Independent Directors composition of statutory committees are not proper as provided in the Companies Act, 2013. Although the Company has appointed second Independent Director Mrs. Kamlawati Singh (DIN: 08710113) in the 394th Board Meeting held on 30.03.2020 w.e.f. 20.02.2020. There is non-compliance from the period 01.04.2019 to 29.03.2020.



7. 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.

8. Appointment and Remuneration of Key Managerial Personnel (KMP) :

During Audit, we observed that the company has appointed Ms. Purnima Parashar (PAN: BBOPP5232K) as Company Secretary (KMP) of the Company w.e.f. 15.03.2019 and further appointed Ms. Purnima Parashar (PAN: BBOPP5232K) as CFO (KMP) of the Company w.e.f. 18.06.2019 due to completion of tenure of Mr. Ravindra Kumar, Director (Finance) additional responsibility of CFO was assigned to the Company Secretary of the Company with the original capacity of the Company Secretary.

Further the Company has appointed Mr. Pradeep Kumar Naik (DIN: 08676709) with the GOI order dated 11.11.2019 w.e.f. 02.05.2019 as Director (Finance) of the Company.

Therefore in the presence of Director (Finance) of the Company, it is not justifiable to have two KMP's position held by Ms. Purnima Parashar.

Date : 01/12/2020

Place : Indore (MP)

FOR I G & ASSOCIATES
COMPANY SECRETARIES

F.R. NO. : I2013MP1054000

ISHA GARG

(PROPRIETOR)

M.NO. FCS: 9955 COP No: 12184

PEER REVIEW NO. : 914/2000

UDIN : F009955B001366244



Annexure - II

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, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management Representation/certificates about the compliance of applicable Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and Other Applicable Laws, Rules, Regulations, Standards is 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 efficacy or effectiveness with which the management has conducted the affairs of the company.

Date : 01/12/2020
Place : Indore (MP)

FOR I G & ASSOCIATES
COMPANY SECRETARIES
F.R. NO. : I2013MP1054000
ISHA GARG
(PROPRIETOR)
M.NO. FCS: 9955 COP No: 12184
PEER REVIEW NO. : 914/2000
UDIN : F009955B001366244



**FINAL
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.

Indian Paper Industry Outlook :

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 Million tonnes.

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		
		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, GoI will pave the



way for completion of works partly in the end of year 2020 (November 2020).

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 by the end of third quarter of FY 2021 and trial-commissioning phase will be at full swing. Subject to return of all contractors at site with full workforce at the earliest possible time. 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
HARI SHANKER MOHANTA
Director

DIN : 08684509

PRADEEP KUMAR NAIK

Director Finance

DIN : 08676709

Date : 26/12/2020

Place : Bhopal

**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, 2020****[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-450 221
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:-

Sl. No.	Name and Description Of main products/services	NIC Code of the Product/service	%to 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:

S. 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.				



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.	-	493477344	493477344	94.06	-	526477344	526477344	94.7	0.64
(c) State Govt.(s)	-	30537290	30537290	05.82	-	30537290	30537290	05.2	0.62
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	524014634	524014634	99.88	-	557014634	524014634	99.9	0.02
(2) Foreign									-
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other- Individuals	-	-	-	-	-	-	-	-	-
(c) BodiesCorp.	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
Total share holding of Promoter (A) = (A)(1) + (A)(2)	-	524014634	524014634	99.88	-	557014634	557014634	99.9	0.02
B.(1) Public Shareholding									
(a) Mutual Funds/Banks/FI	-	-	-	-	-	-	-	-	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt.(s)	-	-	-	-	-	-	-	-	-
(d) Venture Capitalfunds	-	-	-	-	-	-	-	-	-
(e) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) ForeignVenture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	-	-	-	-	-	-	-	-	-
(2)Non-Institutions									
(a)BodiesCorp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-



(i) Individual share holder should in gnominal share capital up to Rs.1 lakh		654930	654930	0.12		654930	654930	0.1	0.02
(j) Category-wise Share Holding: (i) Individual share holder should in gnominal share capital up to Rs.1 lakh									
(c) Others Hindu Undivided Family									
(d) NRI's									
Sub-total (B) (2) :		654930	654930	0.12		654930	654930	0.1	
Total Public Share holding (B) = (B) (1) + (B) (2)		654930	654930	0.12		654930	654930	0.1	
C.Shares hold by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		524669564	524669564	100		524669564	524669564	100	

(ii) Share holding of Promoters :

S. No.	Share holder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share
		No. of Share	% of total share 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	
1.	President of India	493477344	94.06	–	526477344	94.7	–	0.64
2.	Governor of MP	30537290	05.82	–	30537290	05.2	–	0.62
	Total	524014634	99.88		557014634	99.9		

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

S. No.	Name of Share holder	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	493477344	94.06	Increase by 33000000 Equity Share of Rs. 10 Each	Allotment	526477344	94.7
2.	Governor of MP	30537290	05.82	No change During tye year		30537290	5.2

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

S. No.	Top ten Shareholders 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	Data	Increase/ Decrease	Reason	No. of shares	% of total shares of the company
1.	KAUSHIK S. BHATI	11000	0.010		–		11000	0.00
2.	AMMAR AYAZ	5000	0.005		–		5000	0.00
3.	RAJU BHANDARI	5000	0.005		–		5000	0.00
4.	MAHARAJA PRAVINCHANDRA BHANDIDE	4000	0.004		–		4000	0.00
5.	NARINDRA KAUR SACHDEVA	2500	0.002		–		2500	0.00



6.	GOVIND PRASAD K. PODDAR	2200	0.002		-		2200	0.00
7.	HIGHNESS M.K. MODINI DEVI	20000	0.002	3	-		2000	0.00
8.	AMEET R. SUCHDE	2000	0.002		-		2000	0.00
9.	YASHPAL KHANNA	1850	0.002		-		1850	0.00
10.	CHUNILAL GAGALDAS SHAH	1580	0.001		-		1580	0.00

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

S. No.	Shareholding at The beginning of the year				Change During The year			Cumulative Shareholding during the year	
	Name of Directions of KMP (S/shri)	Date	No. of shares	% of total shares of the company	Date	Increase/Decrease	Reason	No. of shares	% of total shares of the company

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	2468.91	14659	-	17127.91
(ii) Interest due but not paid	-	10059.40	-	1059.40
(iii) Interest accrued but not due	-	892.67	-	892.67
Total (i+ii+iii)	2468.91	25611.07	-	28079.98
Change in Indebtedness during the financial year				
Addition	958.63	4169.60		5128.23
Reduction	-	-	-	
Net Change Indebtedness				
At the end 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



(v) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

(Rs. in Lakh)

(A) Remuneration to Managing Director, Whole-time Directors and / or Manager :

S. N	Particulars of Remuneration	Name of MD/WTD/Manager (S/shri)		Total Amount
		Cmde AN Sonsale (Till 24/12/2019)	Revindra Kumar D (F) & CFO (till 01/05/2019)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income tax Act, 1961)	5.18	1.32	6.5
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17 (2) 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)	5.18	1.32	6.5
	Ceiling as per the Act	-	N. A.	

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

S.No.	Particulars of Remuneration	Name of Directors (S/Shri)			Total Amount
1.	Independent Directors		Smt. Kalpana Shrivastave	Smt. Kamlawati Singh	-
	Fee for attend in gboard / committee meetings		29000		-
	Commission		0		
	others, please specify		0		0
	Total (1)		0		0
2.	Other Non-Executive Directors	Capt. Anil Kumar Khara (Till 19/11/2019)	Shri H. S. Mohanta	Smt. Sukirti Likhi	0
	Fee for attend in board/ committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B) = (1 +2)	-	-	-	-
	Total Managerial Remuneration	NA	NA	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)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CEO	Company Secretary & CFO.	
			Ku. Purnima Parashar	
1.	Gross salary		6.72	6.72
	(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) Profitsinlieu 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)	NIL	6.72	6.72

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					
Compounding					
C. OTHERS IN FAULT					
Penalty					
Punishment					
Compounding					



Independent Auditors' Report

To,
The Members of
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, 2020, and the statement of Profit & Loss and the statement of cash flows for the year then 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 the Basis 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, 2020 and its loss, and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. No details have been provided to us by 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. 1.29 lakhs. Consequently, the bank balance is understated and loss for the year or party balances are overstated to that extent.
3. A claim receivable towards bank amounting to Rs. 1.82 Lakhs (Previous year 1.82 Lakhs) for which no proper confirmation is available. In absence of such confirmation, we are unable to opine regarding the provision, if any, required for the same.
4. The trade receivables amounting to 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. No confirmation is available for these trade receivables of Rs.398.40 Lakhs. In absence of such confirmation, we are unable to opine regarding the recoverability and provision required, if any, for the same.
5. The Company has sales tax receivables amounting Rs.11.77 Crores for which neither proper confirmation nor any details have been provided to us by the management. In absence of such confirmation, we are unable to opine regarding the provision, if any, required for the same.
6. The Raw Materials inventory carried at Rs. 148.42 Lakhs of paper cutting & agriculture residue material for pulp has been valued at cost less provision for obsolescence @5%. Adequate



disclosure regarding this, as per AS-2 Valuation of Inventories has not been made in the financial statements.

7. The Company has not identified sale of petrol/ diesel as a separate reportable business segment for the reasons mentioned in Note No.32. which is contrary to AS-17 Segment Reporting.
8. There are various non compliances as mentioned in Note No. 42 the impact of which on the financial statements cannot be ascertained.

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. We draw attention to Note 25.11 regarding de rating of existing equity shares of the Company from Rs.52,466.95 lakhs to Rs.26,237.78 lakhs as directed by Board of Industrial & Financial Reconstruction. The resultant difference of Rs.26,233.47 lakhs has been reduced from the opening balance of brought forward losses as per Note No.3 of Financial statements.
2. We draw attention to Note No. 29.1 that the Company has dismantled various assets for setting up new plant and machineries and is in the process of identifying/assessing the items of Property, Plant & Equipment which are required to be retired from active use. 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.
3. We draw attention to Note No.29.2 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.
4. Due to the outbreak of COVID 19 global pandemic and restrictions imposed by Central / State Government / Local Authorities, physical movement of individuals has been severely impacted resulting in certain restrictions on physical access to the records. Necessary records, reports and other information was obtained initially through remote access over e-mails and other electronic modes. To this extent, the audit process was carried out on the basis of such documents made available by the management.



Material Uncertainty Related to Going Concern

We draw your attention to Note No.37 to the financial statements which indicates that the net worth of the Company has been completely eroded and it has accumulated losses of Rs. 49,081.06 Lakhs. The net current liability exceeds its current assets by Rs. 14,246.07 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 2019-20, but does not include the Standalone financial statements and our auditor's report thereon.

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

In connection with our audit of standalone financial statements, our responsibility is to read the other information and in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 as a whole 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 on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment 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 control relevant to the audit in order 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 of the Company 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 decision of a reasonably knowledge 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 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 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.36 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 : Indore

Dated : 04/12/2020

For Fadnis & Gupte

Chartered Accountants

FRN 006600C

(CA. Vikram Gupte)

Partner

M.No. 074814

UDIN : 20074814AAAAGM9278



Annexure –‘A’ to the Independent Auditors’ 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, 2020

- (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.
- (iv) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (v) (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 at 31st March 2020 for a period of more than six months from the date they became payable except the following

S. No.	Name of the Statute	Nature of Dutes	Amount (Rs.) in Lakhs)	Period to which the amount relates	Due date	Date of Payment	Remarks (if any)
1.	The Employees Provident fund and Misc. Provisions Act,1952	Recovery of loan and interest against PF.	23.09	October 2016 to March 2020	15 th of the following month	No payment has been made till 31.03.2020	The amount of Rs. 23.09 Lacs represents installment of the loan recovered by the employer
2	The Employees Provident fund and Misc. Provisions Act,1952	Voluntary Contribution to PF recovered by Employer.	8.05	October2016 to March 2020	15 th of the following month	No payment has been made till 31.03.2020	



3	The Employees Provident fund and Misc. Provisions Act, 1952	Interest on delayed Payment of PF	99.12	2018-19 to 2019-20	-	No payment has been made till 31.03.2020
---	---	-----------------------------------	-------	--------------------	---	--

(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:-

(Rs. In Lakhs)

Name of the Statute	Period to which Dispute Relates	Amount Disputed (Rs.)	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	1993-94 to 2019-20	300.64	M.P. High Court, Jabalpur Bench
Interest on Property Tax	1993-94 to 2019-20	20.91	M.P. High Court, Jabalpur Bench
Income Tax	AY 2017-18	0.01	Income Tax Officer
Income Tax	AY 2018-19	202.85	Income Tax Officer

(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	265,021,460/-	6th July, 2017
No.7(10)/2011 PEvii-ii) dt 02-07-2012	73,238,880/-	6th July, 2017
No.7(10)/2011 PE vii-i) dt 18-03-2013	274,176,320/-	23rd March, 2018



No.7(10)/2011 PE vii-ii) dt 18-03-2013	31,455,160/-	23rd March, 2018
7(9)/2013/PE-vii (i) dt 19-09-2013	381,218,960/-	20 th July, 2018
7(9)/2013/PE-vii (ii) dt 16-09-2013	71,319,360/-	20 th July,2018
7(9)/2013/PE-vii (i) dt 12-03-2014	244,099,000/-	15th March, 2019
7(9)/2013/PE-vii (i) dt 12-03-2014	26,532,500/-	15 th March, 2019
7(13)/2013/PE-vii dt 07-03-2014	299,736,024/-	12th March, 2020
7(12)/2014/PE-vii dt 08-10-2014	301,750,200/-	10th October, 2019
7(12)/2014/PE-vii dt 08-10-2014	360,771,780/-	10th October, 2019
Total	2,329,319,644/-	

- (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 give 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.

For Fadnis & Gupte
Chartered Accountants
FRN: 006600C
(CA. Vikram Gupte)
Partner
M No:074814
UDIN : 20074814AAAAGM9278

Place : Indore
Date : 04/12/2020

**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.

S. 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 implication cannot be ascertained.
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 : Indore

Date : 04/12/2020

For Fadnis & Gupte

Chartered Accountants

FRN: 006600C

(CA. Vikram Gupte)

Partner

M No:074814

UDIN : 20074814AAAAGM9278



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 of 31 March 2020 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 over financial reporting 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 over Financial Reporting 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 at March 31, 2020:

- (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 need to improvement in terms of regular monitoring of non/slow moving, obsolete inventory items which currently do not reflect the true value on terms of present market conditions and realization.
- (b) The process of balance confirmations from the trade receivables 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 does not have any process of obtaining balance confirmation letters for trade payable. There are no details available with the Company regarding the schedule for payment to creditors for capital goods (RMDP Project) and therefore the classification of trade payable under current & non-current is not possible.



- (e) 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.
- (f) 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 31/03/2020 due to which regular bank Reconciliation process will not be completed.
- (g) 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.
- (h) Stale cheques which are not cleared for more than 90 days and should be reversed in books of accounts. No such entries are passed in the books of account.
- (i) 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 over financial reporting, 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 over financial reporting as of March 31, 2020. The internal control over financial reporting 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, 2020.

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, 2020 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 : Indore

Date : 04/12/2020

For Fadnis & Gupte

Chartered Accountants

FRN: 006600C

(CA. Vikram Gupte)

Partner

M No:074814

UDIN : 20074814AAAAGM9278

**NEPA LIMITED**

NEPA LIMITED
NEPANAGAR (M.P.)
CIN:U21012MP1947GOI000636
BALANCE SHEET AS ON 31ST MARCH, 2020

(Rs. In Lakhs)
AS ON
31.03.2019

NOTE	AS ON 31.03.2020	AS ON 31.03.2019	
I EQUITY AND LIABILITIES			
1) SHAREHOLDER'S FUNDS			
(a) SHARE CAPITAL	2	37,191.78	58,471.25
(b) RESERVES & SURPLUS	3	(49,081.06)	(68,179.21)
2) SHARE APPLICATION MONEY PENDING FOR ALLOTMENT			
	4	18,105.00	4,954.00
3) NON-CURRENT LIABILITIES			
(a) LONG-TERM BORROWINGS	5	4,169.60	687.20
(b) LONG TERM PROVISIONS	6	3,126.75	3,295.54
4) CURRENT LIABILITIES			
(a) SHORT-TERM BORROWINGS	7	3,427.54	2,468.91
(b) TRADE PAYABLES	8	7,778.08	9,152.43
(d') OTHER CURRENT LIABILITIES	9	29,737.48	25,588.21
(c) SHORT TERM PROVISIONS	10	86.01	76.89
GRAND TOTAL		54,541.17	36,515.23
II ASSETS			
1) NON- CURRENT ASSETS			
(a) PROPERTY, PLANT & EQUIPMENT	11		
(i) TANGIBLE ASSETS	11a	1,575.41	1,723.22
(ii) INTANGIBLE ASSETS	11b	-	0.25
(iii) CAPITAL WORK IN PROGRESS	11c	25,203.48	19,167.09
(iv) INTANGIBLE ASSETS UNDER DEVELOPMENT	11d	-	16.07
(b) LONG TERM LOANS & ADVANCES	12	979.24	894.27
2) CURRENT ASSETS			
(a) INVENTORIES	13	587.23	708.32
(b) TRADE RECEIVABLES	14	234.24	119.83
(c) CASH & BANK BALANCES	15	17,299.08	7,058.66
(d) SHORT- TERM LOANS & ADVANCES	16	8,379.18	6,579.95
(e) OTHER CURRENT ASSETS	17	283.31	247.57
GRAND TOTAL		54,541.17	36,515.23
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	02 TO 45		
AS PER OUR REPORT OF EVEN DATE ATTACHED FOR FADNIS & GUPTE 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	C. ANANDA CHAIRMAN CUM MANAGING DIRECTOR (ADD. CHARGE) DIN: 08676688	
PLACE: INDORE DATE: 04.12.2020		PURNIMA PARASHAR COMPANY SECRETARY/CFO M.No. A36079	

**NEPA LIMITED**

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

(Rs. In LAKHS)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2020

PARTICULARS	NOTE	Period ended on 31st March 2020	Period ended on 31st March 2019
I REVENUE FROM OPERATIONS	18	1,243.32	1,187.67
II OTHER INCOME	19	1824.96	895.62
TOTAL REVENUE		3,068.28	2,083.29
III EXPENDITURE			
(a) COST OF GOODS SOLD	20	1062.39	983.02
(b) CHANGES IN INVENTORIES OF FINISHED GOODS/ STOCK IN PROCESS AND STOCK IN TRADE	21	92.32	143.06
(c) EMPLOYEE BENEFIT EXPENSES	22	5,131.90	4,760.59
(d) FINANCE COST	23	2,894.15	3,133.36
(e) DEPRECIATION & AMORTIZATION INCLUDES PRIOR PERIOD EXPENSE OF RS. 0.15 LAKHS (NET) (PREVIOUS YEAR RS. -4.01 LAKHS)]	11	93.86	96.33
(f) OTHER EXPENSES	24	919.42	745.76
TOTAL EXPENSES		10,194.04	9,862.12
IV PROFIT/ (LOSS) BEFORE EXCEPTIONAL & EXTRA- ORDINARY ITEMS		(7,125.76)	(7,778.83)
V EXCEPTIONAL/EXTRA-ORDINARY ITEMS		-	-
VI PROFIT/(LOSS) BEFORE TAX		(7,125.76)	(7,778.83)
IX TAX EXPENSE			
CURRENT TAX		-	-
DEFERRED TAX		-	-
X PROFIT/(LOSS) AFTER TAX		(7125.76)	(7778.83)
EARNING PER EQUITY SHARE			RS
BASIC		(1.03)	(1.48)
DILUTED		(1.03)	(1.48)

SIGNIFICANT ACCOUNTING
POLICIES

1

NOTES TO ACCOUNTS

02 To 45

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR FADNIS & GUPTÉ
CHARTERED ACCOUNTANTS
FRN: 006600C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CA VIKRAM GUPTÉ
PARTNER
M.NO. 074814

PRADEEP KUMAR NAIK
DIRECTOR FINANCE(ADD. CHARGE)
DIN: 08401718

C. ANANDA
CHAIRMAN CUM MANAGING (ADD. CHARGE)
DIN: 08676688

PLACE: II INDORE
DATE: 04.12.2020

PURNIMA PARASHAR
COMPANY SECRETARY & CFO
M.No. A36079



NEPANAGAR (M.P.)
CIN : U21012MP1947GOI000636

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

(Rs. In Lakh)

<u>Particulars</u>	Year ended 31st March 2020	Year ended 31st March 2019
<u>A. Cash Flow from Operating Activities</u>		
Net Profit/(Loss) before Tax & Extra Ordinary Items	(7,125.76)	(7,778.83)
<u>Adjustment for:</u>		
Depreciation	93.86	96.33
Provisions & Liabilities Written Back	(10.11)	(16.51)
Provisions on Inventories Written Back	(77.33)	-
Obsolesense Allowance	24.67	49.87
Profit on sale of Fixed Assets	(566.44)	(0.14)
Interest Earned	(555.79)	(396.44)
Interest & Finance Charges	2,894.15	3,131.49
Intangible Assets Written off	0.25	-
Intangible Assets under Development written off	16.07	-
	<u>(5,306.41)</u>	<u>(4,914.21)</u>
Operating Profit (before working Capital changes)		
(Increase) / Decrease Short Term Loan & Advances	(1,799.23)	(1,203.08)
(Increase) / Decrease Trade and other Receivables	(114.06)	(27.49)
Increase / (Decrease) Trade payables	(1,374.10)	112.47
Increase / (Decrease) in Provisions	(159.67)	500.29
(Increase) / Decrease Inventories	173.75	253.41
(Increase) / Decrease in other Current Assets	(35.74)	930.18
Increase / (Decrease) in Other Current Liabilities	4,149.19	1,015.49
(Increase) / Decrease in Balance of Escrow Account	<u>(10,145.71)</u>	<u>(2,426.86)</u>
	(9,305.57)	(845.58)
Income Tax Paid	-	9.88
CASH GENERATED FROM OPERATING ACTIVITIES (A)	<u>(14,611.98)</u>	<u>(5,749.92)</u>
<u>B. Cash flow from Investing activities</u>		
Purchase of Property, Plant & Equipments	(7.06)	8.62
Sale of Property, Plant & Equipments	627.45	0.26
(Increase)/Decrease in Fixed Deposit	(30.80)	3,545.47
Interest Earned	555.79	331.45
(Increase)/Decrease in Long Term Loans & Advances	(84.97)	-
Investment in RMDP Project	<u>(6,036.39)</u>	<u>(1,494.83)</u>
CASH GENERATED FROM INVESTING ACTIVITIES (B)	<u>(4,975.99)</u>	<u>2,390.96</u>
<u>C. Cash flow from Finance Activities</u>		
Bank Overdraft	958.63	(1,029.81)
Proceeds of GOI Loan	3,482.40	-
Interest and Financial charges paid	(2,894.15)	(427.78)
Share capital Money received pending for allotment	18,105.00	4,954.00
CASH GENERATED FROM FINANCING ACTIVITIES (C)	<u>19,651.88</u>	<u>3,496.41</u>
Net inflow/outflow in cash & cash equivalents (A-B-C)	63.90	137.45
Add:- Opening Cash and Cash equivalents	225.26	87.82
Closing Cash & Cash equivalents	<u>289.17</u>	<u>225.26</u>

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.17,299.08 lakhs include Cash & Cash Equivalents Rs.289.17 lakhs (Previous Year Rs.225.26 lakhs) and Other Bank Balances Rs.17,009.91 lakhs (Previous Year Rs.6,833.40 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 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**

**C. ANANDA
CHAIRMAN CUM MANAGING DIRECTOR
(ADD. CHARGE)
DIN: 07383997**

**PLACE: INDORE
Date:04.12.2020**

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



Notes on Financial Statements for the year ended on 31st March, 2020

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 then 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 Di-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 43)

(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****NEPA LIMITED
NEPANAGAR (M.P.)****NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020****NOTE NO. 02
=====****SHARE CAPITAL**

PARTICULARS	(Rs. In Lakhs)	
	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
I. AUTHORISED SHARE CAPITAL		
a) 524767344 Equity Share OF Rs.5/- each 277616328 Equity Share OF Rs.10/- each (Previous year 525000000 Equity Shares of Rs. 10/- each)	54,000.00	52,500.00
b) 1508300, 7% Non- Cumulative Preference Share OF Rs. 1000 each (Previous Year 600000, 7% Non- Cumulative Preference Share of Rs. 1000/- each) (REFER NOTE NO. 28 OF NOTES TO ACCOUNTS)	15,083.00 69,083.00	6,000.00 58,500.00
II. ISSUED, SUBSCRIBED & PAID UP CAPITAL		
a) 33000000 Equity Shares of Rs. 10/- each Fully Paid up (Previous Year 524669564 Equity Share @Rs. 10/- each Fully Paid up)	3,300.00	52,466.95
524669564 Equity Shares of Rs. 5/- each Fully Paid up (Previous Year NIL Equity Share @Rs. 5/- each Fully Paid up)	26,233.48	-
Add: Forfeited Equity Shares 97780 (97780) Equity Share of Rs.10/-each Fully Paid up	4.30	4.30
	29,537.78	52,471.25
b) 7% Non Cumulative Preference Share 765400 of Rs. 1000/- each (Previous Year 600000 preference share of Rs. 1000/- each)	7,654.00	6,000.00
Total(a+b) REFER NOTE NO. 25.9- 25.12 OF NOTES TO ACCOUNTS	37,191.78	58,471.25
A. Par Value per Share		
524669564 Equity Shares	RS. 5/Share	RS. 10/Share
33000000 Equity Shares	RS. 10/Share	-
7% 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		
PARTICULARS	AS ON 31.03.2020	AS ON 31.03.2019
(I) EQUITY SHARES OF Rs. 10/- EACH FULLY PAID UP		
OPENING BALANCE	524,669,564	524,669,564
ADD: ISSUED DURING THE YEAR	33,000,000	-
LESS: REDUCED DURING THE YEAR	(524,669,564)	-
CLOSING BALANCE	33,000,000	524,669,564
(II) EQUITY SHARE OF RS.5/- EACH FULLY PAID UP	-	-



NEPA LIMITED

OPENING BALANCE	-	-
ADD: ISSUED DURING THE YEAR	524,669,564	-
LESS: REDUCED DURING THE YEAR	-	-
CLOSING BALANCE	524,669,564	-
(III) 7% NON-CUMULATIVE PREFERENCE SHARES OF Rs.1000/- EACH FULLY PAID UP		
OPENING BALANCE	600,000	600,000
ADD: ISSUED DURING THE YEAR	165,400	-
LESS: REDUCED DURING THE YEAR	-	-
CLOSING BALANCE	765,400	600,000
TOTAL	558,434,964	525,269,564

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 ALLOTTED 1.654 LAKHS 7% PREFERENCE SHARES FROM SHARE APPLICATION PENDING ALLOTMENT FOR PURPOSE OF PAYMENT OF VRS TO EMPLOYEES

3. DURING THE YEAR COMPANY HAS ALLOTTED 330 LAKHS EQUITY SHARES FOR IMPLEMENTATION OF RMDP FROM SHARE APPLICATION PENDING ALLOTMENT

C. THE COMPANY HAS THREE 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.

EQUITY SHARES @ RS.10/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.

CUMULATIVE PREFERENCE SHARES @ 10/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.

C. SHAREHOLDING OF MORE THAN 5% OF THE AGGREGATE SHARES IN THE COMPANY

PARTICULARS	NO. OF SHARES	% OF SHARE	NO. OF SHARES	% OF SHARE
	31.03.2020	HOLDING	31.03.2019	HOLDING
EQUITY SHARES (Rs. 10/- EACH FULLY PAID UP)				
EQUITY SHARES OF RS.10/- EACH				
(I) CENTRAL GOVERNMENT	33,000,000	100.00%	493,477,344	93.95%
(II) GOVT. OF MADHYA PRADESH	-	-	30,537,290	5.82%
EQUITY SHARES OF RS.5/- EACH				
(I) CENTRAL GOVERNMENT	493,477,344	93.95%	-	-
(II) GOVT. OF MADHYA PRADESH	30,537,290	5.82%	-	-
7% NON-CUMULATIVE PREFERENCE SHARES				
(III) CENTRAL GOVT. PREFERENCE SHARES	765,400	100.00%	600,000	100.00%

NOTE NO. 03

=====

RESERVES AND SURPLUS

S.NO. PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
A. CAPITAL RESERVE		
OPENING BALANCE	10.07	10.07
ADD: ADDITION/(TRANSFER) DURING THE YEAR*	(10.07)	-
CLOSING BALANCE	-	10.07

* THE AMOUNT OF RS. 10.07 LAKHS ON ACCOUNT OF PROFIT ON SALE OF ASSETS AND CONTRIBUTION RECEIVED TOWARDS CONSTRUCTION OF CLASSROOMS IN THE EARLIER YEARS WRITTEN BACK TO OTHER INCOME DURING THE YEAR.



NEPA LIMITED

B. SUBSIDY RESERVE

OPENING BALANCE	0.57	0.60
ADD: ADDITION/(TRANSFER) DURING THE YEAR	(0.03)	(0.03)
CLOSING BALANCE	0.54	0.57

(Rs. In Lakhs)

C. NET DEFICIT IN STATEMENT PROFIT & LOSS

NET DEFICIT AT THE BEGINNING OF THE YEAR	(68,189.85)	(60,411.03)
ADJUSTMENT TOWARDS REDUCTION IN SHARE CAPITAL ACCOUNT (REFER NOTE NO. 25.10-25.13 OF NOTES TO ACCOUNTS)	26,233.47	-
	(41,956.39)	(60,411.03)
ADD: PROFIT/ (LOSS) INCURRED DURING THE YEAR	(7,125.76)	(7,778.82)
NET DEFICIT AT THE END OF THE YEAR	(49,081.60)	(68,189.85)
TOTAL	(49,081.06)	(68,179.21)

NOTE 03.01:

TRANSFER OF 0.03 LAKHS (PREVIOUS YEAR RS. 0.03 LAKH) OUT OF SUBSIDY RESERVE RECEIVED FROM M. P. HOUSING BOARD TOWARDS 100 REGULAR TWO ROOM TENANTS REPRESENTS THE PROPORTIONATE PART WITH REFERENCE TO LIFE OF ASSETS CREATED UNDER THE SCHEME.

NOTE NO. 04

=====

SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
a) EQUITY SHARE APPLICATION PENDING FOR ALLOTMENT	15,105.00	3,300.00
b) 7% NON CUMULATIVE PREFERENCE SHARE PENDING FOR ALLOTMENT	3,000.00	1,654.00
(REFER NOTE. 26.1.3 OF NOTES TO ACCOUNTS)		
TOTAL	18,105.00	4,954.00

NOTE NO. 05

=====

LONG-TERM BORROWINGS

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
UNSECURED LOANS		
GOVERNMENT OF INDIA (PLAN & NON PLAN LOAN)	4,169.60	687.20
TOTAL	4,169.60	687.20

Default in repayment of Government of India Loan					
PARTICULARS	TOTAL AMOUNT	PRINCIPAL AMOUNT	INTEREST INCLUDING PENAL INTEREST	NO. OF INSTALLMENT OVERDUE	DEFAULT SINCE
NO.7(10)/2011 PE VII-I) DT 02-07-2012	283,744,352	112,900,000	152,121,460	5	6th JULY, 2017
NO.7(10)/2011 PE VII-II) DT 02-07-2012	78,412,965	31,200,000	42,038,880	5	6th JULY, 2017
NO.7(10)/2011 PE VII-I) DT 18-03-2013	274,821,975	116,800,000	157,376,320	5	23rd MARCH, 2018
NO.7(10)/2011 PE VII-II) DT 18-03-2013	31,529,234	13,400,000	18,055,160	5	23rd MARCH, 2018
7(9)/2013/PE-VII (I) DT 19-09-2013	402,619,429	179,600,000	201,618,960	5	20th JULY, 2018
7(9)/2013/PE-VII (II) DT 16-09-2013	75,323,011	33,600,000	37,719,360	5	20th JULY, 2018
7(9)/2013/PE-VII (I) DT 12-03-2014	245,299,776	115,000,000	129,099,000	5	15th MARCH, 2019
7(9)/2013/PE-VII (II) DT 12-03-2014	26,663,019	12,500,000	14,032,500	5	15th MARCH, 2019
7(13)/2013/PE-VII DT 07-03-2014	267,265,824	103,080,000	164,185,824	3	12th MARCH, 2020
7(12)/2014/PE-VII DT 08-10-2014	318,742,869	159,000,000	142,750,200	5	10th OCTOBER, 2019
7(12)/2014/PE-VII DT 08-10-2014	381,088,172	190,100,000	170,671,780	5	10th OCTOBER, 2019
TOTAL	2,385,510,626	1,067,180,000	1,229,669,444		



NEPA LIMITED

NOTE NO. 06

=====

LONG TERM PROVISIONS

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
1 PROVISION FOR GRATUITY	1,953.84	1,623.96
2 PROVISION FOR LEAVE ENCASHMENT	1,172.91	1,671.58
TOTAL	3,126.75	3,295.54

NOTE NO. 07

=====

SHORT TERM BORROWINGS

PARTICULARS

SECURED LOAN

BANK OVERDRAFT AGAINST TERM DEPOSIT

	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
BANK OVERDRAFT AGAINST TERM DEPOSIT	3,427.54	2,468.91
TOTAL	3,427.54	2,468.91

NOTE NO. 07.01

Company has taken a Bank Overdraft of Rs. 3408.91 lakhs (previous year - Rs.2468.91 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

=====

TRADE PAYABLES

PARTICULARS

	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
(a) Amount due to Micro, Small & Medium Enterprises	11.48	0.02
B) Others	7,766.60	9,152.41
TOTAL	7,778.08	9,152.43

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 OBLIGATION.

i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :			
	Principal	11.48		0.02
	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	-		-



NOTE NO. 9

=====

OTHER CURRENT LIABILITIES

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
1 CURRENT MATURITIES OF LONG TERM DEBT	11015.41	10671.80
2 INTEREST ACCRUED & DUE (ON GOI LOAN)		
- INTEREST	5,157.03	5,135.79
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	7,464.37	4,923.61
3 INTEREST ACCRUED AND NOT DUE (ON GOI LOAN)		
- INTEREST	105.27	52.30
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	906.57	840.38
4 DEPOSIT FROM CONTRACTOR / AGENT /CUSTOMERS & OTHERS	420.24	402.83
5 ADVANCE FROM CUSTOMERS	42.91	67.72
6 CREDITORS FOR RMDP PROJECT	4,313.88	3,149.37
7 SECURITY DEPOSIT FOR RMDP PROJECT	205.56	97.98
8 OTHER PAYABLES	106.26	246.42
TOTAL	<u>29,737.48</u>	<u>25,588.21</u>
OTHER PAYABLES PERTAIN TO:		
STATUTORY LIABILITIES	102.14	240.71
OTHER CREDITORS	4.12	5.71
TOTAL	<u>106.26</u>	<u>246.42</u>

NOTE NO. 10

=====

SHORT TERM PROVISIONS

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
PROVISION FOR LEAVE ENCASHMENT	86.01	76.89
TOTAL	<u>86.01</u>	<u>76.89</u>



Note No. 11
PROPERTY, PLANT & EQUIPMENT

(Rs. In Lakhs)

DESCRIPTION	GROSS BLOCK AT COST			LESS DEPRECIATION / AMORTIZATION				NET BLOCK		
	AS ON 01.04.2019	Add- itions	Deduction	AS AT 31.03.2020	AS ON 01.04.2019	For the Year	Written Back	Upto 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
Note No. 11a										
Tangible Assets										
(a) LEASED ASSETS										
Land Lease hold	2.50	-	-	2.50	0.84	0.26	-	1.10	1.40	1.66
(b) OWNED ASSETS										
Free Hold Land	2.58	-	-	2.58	-	-	-	-	2.58	2.58
Buildings	1,384.57	-	-	1,384.57	971.62	11.97	-	983.59	400.98	412.95
Plant and Equipment	8,048.39	-	1,100.81	6,947.58	7,103.51	45.68	1,044.26	6,104.93	842.65	944.88
Furniture & Fixtures	391.75	7.06	5.89	392.92	307.62	22.30	2.13	327.79	65.13	84.13
Vehicles	17.05	-	6.59	10.46	16.17	-	6.26	9.91	0.55	0.88
Railway Sidings	412.93	-	-	412.93	278.42	11.33	-	289.75	123.18	134.51
Water Works	263.79	-	-	263.79	221.34	2.33	-	223.67	40.12	42.45
Roads and Bridges	51.69	-	-	51.69	49.11	-	-	49.11	2.58	2.58
Library Books	0.37	-	-	0.37	0.35	-	-	0.35	0.02	0.02
Discarded Assets	186.95	-	0.37	186.58	90.37	-	-	90.37	96.21	96.58
TOTAL (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
Previous Year (A)	10,775.73	16.66	29.83	10,762.56	8,943.46	100.27	4.38	9,039.35	1,723.21	1,832.27
Note No. 11b										
Intangible Assets										
Rights, concessions & facilities from Government of Madhya Pradesh	5.00	-	5.00	-	4.75	-	4.75	-	-	0.25
TOTAL (B)	5.00	-	5.00	-	4.75	-	4.75	-	-	0.25
Previous Year (B)	5.00	-	-	5.00	4.75	-	-	4.75	0.25	0.25
Note No. 11c										
Capital Work in Progress										
Plant & Machiner under Erection	19,167.09	6,036.39	-	25,203.48	-	-	-	-	25,203.48	19,167.09
TOTAL (C)	19,167.09	6,036.39	-	25,203.48	-	-	-	-	25,203.48	19,167.09
Previous Year (C)	16,680.57	2,468.78	17.74	19,167.09	-	-	-	-	19,167.09	16,680.57
Note No. 11d										
Intangible Assets under Development										
	16.07	-	16.07	-	-	-	-	-	-	16.07
TOTAL (D)	16.07	-	16.07	-	-	-	-	-	-	16.07
Previous Year (D)	16.07	-	-	-	-	-	-	-	16.07	16.07
GRAND TOTAL (A+B+C+D)	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
PREVIOUS YEAR GRAND TOTAL (A+B+C+D)	57412.03	8528.89	1182.30	64794.10	17,992.31	194.13	1061.78	17124.66	47669.44	39,419.72

- i) NONE OF ITEMS HAVE BEEN CONSIDERED AS RETIRED FROM ACTIVE USE (REFER NOTE NO.29.1)
 ii) AMORTIZATION ON LEASE HOLD LAND INCLUDES PRIOR PERIOD EXPENSE OF RS. 0.17 LAKHS
 iii) PLANT & EQUIPMENT INCLUDES PRIOR PERIOD EXPENSE OF RS.(.02) LAKHS



NOTE NO. 12

=====

LONG TERM LOANS AND ADVANCES

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
1 CAPITAL ADVANCES FOR RMDP PROJECT	958.69	839.69
2 SECURITY DEPOSIT FOR SERVICE CONNECTION	1.14	1.35
3 DEPOSIT WITH CUSTOMS AND OTHER AUTHORITIES	19.41	53.23
TOTAL	979.24	894.27
(14)A		
Secured Considered Good	959.83	99.75
Unsecured Considered Good		627.20
Doubtful	19.41	167.32
	979.24	894.27

NOTE NO. 13

=====

INVENTORIES

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
RAW MATERIALS	148.42	148.42
LESS: PROVISION FOR REDUCTION IN VALUE	(7.42)	4.45
	141.00	143.97
STOCK- IN-TRADE		
a) PETROL	6.01	8.05
b) DIESEL	8.43	7.61
c) LUBRICANT OIL	0.85	0.67
d) PETROL XP	5.75	0.39
STORES AND SPARES	831.06	920.92
LESS: PROVISION FOR NON MOVING ITEMS	(585.41)	650.36
	245.65	270.56
STORES IN TRANSIT	-	0.78
LOOSE TOOLS	4.07	4.18
OTHERS		
a) COAL CINDER	175.48	272.11
TOTAL	587.23	708.32

(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) 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.

**NEPA LIMITED****NOTE NO. 14**

=====

TRADE RECEIVABLE

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
14.1 UNSECURED AND CONSIDERED GOOD		
(a) TRADE RECEIVABLE OUTSTANDING FOR PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT	4.36	14.23
(b) OTHERS	120.21	24.69
14.2 UNSECURED, CONSIDERED DOUBTFUL		
(a) TRADE RECEIVABLE OUTSTANDING FOR PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT	398.40	330.67
LESS: PROVISION FOR DOUBTFUL DEBTS	(288.73)	(249.77)
TOTAL	234.24	119.83

NOTE NO. 15

=====

CASH AND BANK BALANCES

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
CASH & CASH EQUIVALENT		
(A) <u>CASH IN HAND</u>		
1. CASH BOOK (ADMIN OFFICE)	11.20	3.92
2. CASH IN HAND WITH OTHER DEPARTMENTS OF THE MILL	1.25	7.04
(B) BALANCE WITH SCHEDULE BANKS- CURRENT ACCOUNT	276.72	214.30
	289.17	225.26
OTHER BANK BALANCES		
(C) FIXED DEPOSITS WITH SCHEDULE BANKS	4,437.34	4,406.54
(D) BALANCE IN ESCROW ACCOUNTS	12,572.57	2,426.86
	17,009.91	6,833.40
TOTAL	17,299.08	7,058.66

NOTE:- 15.1:-

FIXED DEPOSIT WITH SCHEDULE BANK INCLUDES FDRs HELD BY BANK AS MARGIN MONEY FOR :

- a) BANK OVERDRAFT Rs. 3948.90 LAKHS (P.Y. Rs. 2468.90 LAKHS)
b) BANK GUARANTEES Rs. 287.604 LAKHS (P.Y. Rs.287.604 LAKHS)

NOTE NO. 16

=====

SHORT TERM LOANS AND ADVANCES

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
OTHERS		
UNSECURED		
1 ADVANCE AGAINST INDIGENOUS PURCHASE AND OTHERS -CONSIDERED GOOD	-	-
- DOUBTFUL	0.71	0.71
LESS:-PROVISION FOR BAD AND DOUBTFUL DEBTS	(0.71)	(0.71)



NEPA LIMITED

2	GENERAL ADVANCE TO MONTHLY RATED EMPLOYEES	5,903.36		5,185.16
3	FESTIVAL ADVANCE	18.02		24.97
4	DEPOSIT WITH CENTRAL EXCISE FOR CESS ON PAPER	0.05		0.05
5	INCOME TAX PAID AT SOURCE	112.91		49.14
6	SALES TAX RECOVERABLE	14.06		11.77
7	PREPAID EXPENSES	51.08		4.18
8	DEPOSIT WITH CUSTOMS AND OTHER AUTHORITIES	59.64	12.07	
	LESS: PROVISION FOR BAD & DOUBTFUL DEPOSITS	<u>4.45</u>	<u>4.45</u>	7.62
9	CLAIM RECEIVABLE	523.50	541.66	
	LESS: PROVISION FOR BAD & DOUBTFUL CLAIM	<u>13.17</u>	<u>13.17</u>	528.49
10	SALES TAX PAID UNDER PROTEST	15.68		15.68
11	GST RECEIVABLE	1,687.74		729.34
12	OTHER ADVANCES		10.44	23.23
	a) CONSIDERED GOOD			
	b) DOUBTFUL	128.38	128.38	
	LESS: PROVISION FOR DOUBTFUL LOANS & ADVANCES	<u>128.06</u>	<u>128.06</u>	0.32
	TOTAL	<u>8,379.18</u>		<u>6,579.95</u>

NOTE NO. 16.1

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. 17

=====

OTHER CURRENT ASSETS

PARTICULARS	AMOUNT AS ON 31.03.2020	AMOUNT AS ON 31.03.2019
1 INTEREST ACCRUED ON BANK DEPOSIT	79.91	93.67
2 ACCURED INCOME (O/S RECOVERY OF TOWNSHIP RENT)	224.32	174.82
LESS:PROVISION AGAINST DOUBTFUL RECOVERY	<u>20.92</u>	<u>20.92</u>
TOTAL	<u>283.31</u>	<u>247.57</u>



NEPA LIMITED

NEPA LIMITED
NEPANAGAR (M.P.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

NOTE NO.18

=====

REVENUE FROM OPERATION

S.NO	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
A	<u>REVENUE FROM SALE OF PRODUCTS</u>		
	SALE OF PETROL, DIESEL & LUBRICANTS, EXTRA PREMIUM PETROL	1105.55	1046.04
	TOTAL (A)	1,105.55	1,046.04
B	<u>OTHER OPERATING REVENUES</u>		
	SALE OF COAL CINDER	137.77	141.63
	TOTAL (B)	137.77	141.63
	TOTAL (A+B)	1,243.32	1,187.67

NOTE NO.19

=====

OTHER INCOME

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	PROFIT ON SALE OF FIXED ASSETS	566.44	0.14
2	INCOME OF WATER SUPPLY	112.41	101.61
3	INTEREST EARNED	555.79	396.44
4	INCOME FROM TOWNSHIP [INCLUDES PRIOR PERIOD INCOME OF RS. 2.73 (PREVIOUS YEAR RS. 53.88)]	246.71	168.80
5	INCOME FROM RAILWAY SIDINGS RENT	164.29	0.45
6	SALE OF SCRAP	48.42	161.45
7	RECEIPTS FROM MEDICAL DEPARTMENT	11.94	15.51
8	INCOME FROM SALE OF EUCALYPTUS TREE	7.27	-
9	PROVISIONS FOR INVENTORY WRITTEN BACK	77.33	-
10	PROVISIONS & LIABILITIES WRITTEN BACK*	10.11	16.48
11	MISCELLANEOUS INCOME	24.25	34.74
		1824.96	895.62

* INCLUDES PRIOR PERIOD INCOME OF RS.10.07 LAKHS TRANSFERRED FROM CAPITAL RESERVE COMPRISING OF PROFIT ON SALE OF FIXED ASSETS AND CONTRIBUTION RECEIVED TOWARDS CONSTRUCTION OF CLASS ROOM IN THE EARLIER YEARS

**NOTE NO.20**

=====

COST OF GOODS SOLD

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
	PURCHASE OF PETROL, DIESEL & LUBRICANTS	1062.39	983.02
	TOTAL	1,062.39	983.02

NOTE NO.21

=====

CHANGES IN THE INVENTORIES OF FINISHED

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
A	INVENTORIES AT THE END 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
	TOTAL (A)	196.51	288.83
B	INVENTORIES AT THE BEGINNING OF THE YEAR		
a	MANUFACTURING GOODS		
1	COAL CINDER	272.11	404.02
b	TRADING GOODS		
1	EXTRA PREMIUM PETROL(XP)	0.39	8.05
2	PETROL	8.05	9.69
3	DIESEL	7.61	9.75
4	LUBRICANTS	0.67	0.38
	TOTAL (B)	288.83	431.89
	NET (INCREASE)/ DECREASE (B-A)	92.32	143.06

NOTE NO.22

=====

EMPLOYEES BENEFIT EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	SALARIES, WAGES AND ALLOWANCES [INCLUDES PRIOR PERIOD EXPENSE OF RS. 1.10 LAKHS (PREVIOUS YEAR RS. NIL)]	1,529.99	2,784.71
2	CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	199.43	304.67
3	GRATUITY	614.16	591.19
4	VRS PAYMENT	2,658.31	896.31
5	STAFF WELFARE EXPENSES	48.92	55.96
6	REIMBURSEMENT OF MEDICAL EXPENSES	81.09	127.75
	TOTAL	5,131.90	4,760.59

**NOTE 22.01**

=====

REIMBURSEMENT OF MEDICAL EXP

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	REIMBURSEMENT OF MEDICAL EXPENSES TO EMPLOYEES	31.68	54.65
2	REIMBURSEMENT OF OUTSIDE MEDICAL CLAIM	40.52	57.02
3	REIMBURSEMENT OF MEDICAL EXPENSES TO CASUAL/ BADLI EMPLOYEES	8.58	15.61
4	REIMBURSEMENT OF LOCAL BILL TO CONTRACTUAL EMPLOYEES	0.32	0.48
	TOTAL	81.09	127.75

NOTE NO.23

=====

FINANCE COST

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	INTEREST ON GOVERNMENT LOAN	2,681.16	2,703.71
2	INTEREST ON BANK LOAN	208.82	427.78
3	BANK CHARGES	4.18	1.87
		2,894.15	3,133.36

NOTE NO. 23.01

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.24

=====

OTHER EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
A	<u>MANUFACTURING EXPENSES</u>		
1	STORES & SPARES CONSUMED	25.18	50.18
2	CHEMICALS CONSUMED	7.04	4.04
3	POWER & FUEL [INCLUDES PRIOR PERIOD EXPENSE OF RS. NIL (PREVIOUS YEAR RS. 0.35 LAKHS)]	310.73	280.37
B	<u>ADMINISTRATION AND ESTABLISHMENT EXPENSES</u>		
1	COMMUNICATION EXPENSES (INCL POSTAGE)	13.67	10.31
2	INSURANCE	1.80	7.18
3	LEGAL AND PROFESSIONAL CHARGES	29.36	32.90
4	AUDIT FEES	2.67	2.81
5	RATES & TAXES	6.51	12.20
6	REPAIR & MAINTENANCE [INCLUDES PRIOR PERIOD EXPENSE OF RS. 2.04 (PREVIOUS YEAR Rs -20.62)]	94.94	34.81
7	HIRE CHARGES OF VEHICLES	19.31	17.70
8	RESEARCH AND DEVELOPMENT EXP.	195.67	148.51
9	TRAVELLING EXPENSES	14.54	18.04
10	PROVISION ON DOUBTFUL DEBTORS	38.96	-



11	INTANGIBLE ASSET WRITTEN OFF	11.26	-
12	ELECTRICITY CHARGES	10.16	11.21
13	GUEST HOUSE RUNNING EXPENSES	11.21	9.17
14	PRINTING & STATIONARY	12.01	8.95
15	PUBLICATION CHGS FOR TENDRS & EMB	3.86	3.89
16	FACTORY OFFICE GEN EXPENSES	5.48	6.35
17	ENTERTAINMENT EXP.	3.15	2.97
18	HORTICULTURE EXPENSES	3.86	8.52
19	LIGHTNING AND SANITATION	3.12	3.04
20	NURSERY EXPENSES	8.54	1.80
21	COMPUTER MAINT CHARGES	3.35	3.02
22	GENERAL EXPENSES	6.32	5.35
23	INTEREST ON STATUTORY PAYMENTS	22.62	18.04
24	MISCELLENEOUS EXPENSES (BELOW 1% OF TURNOVER)	22.70	6.63
C. <u>SELLING & DISTRIBUTION EXPENSES</u>			
1	COMMISSION ON SALES	16.79	6.77
3	FREIGHT AND LOADING CHARGES	14.62	31.00
TOTAL		919.42	745.76

NOTE 24.01

=====

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 24.02

=====

AUDIT FEES

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	STATUTORY AUDIT FEES	1.75	1.75
2	REIMBURSEMENT OF EXPENSES	0.75	0.75
3	AUDIT FEES (INTERNAL & SECRETARIAL AUDIT)	0.17	0.31
TOTAL		2.67	2.81

NOTE 24.03

=====

REPAIR & MAINTANANCE

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	PLANT & MACHINERY	10.91	3.14
2	BUILDINGS	16.96	1.06
3	OTHER ASSETS	64.97	51.23
TOTAL		92.85	55.43

**NOTE 24.04**

=====

GUEST HOUSE RUNNING EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	NEPA NAGAR GUEST HOUSE	7.47	4.73
2	NEW DELHI GUEST HOUSE	3.75	4.44
	TOTAL	11.21	9.17

NOTE 24.05

=====

MEDICAL EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2020	Period ended on 31st March 2019
1	CONSUMPTION OF MEDICINE	3.31	3.82
2	COST OF MILK & BREAD	0.09	0.15
3	MISC EXPENSES FOR MEDICAL DEPARTMENT	2.24	3.77
	TOTAL	5.65	7.73

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****25. Board for Industrial and Financial Reconstruction (BIFR) Implementation Status**

- 25.1.** Company is 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.
- 25.2.** The Union Cabinet gave its approval for revival of Nepa Limited of a total package of 1025.96 Crores on 6th September, 2012 vide Department of Heavy Industries (DHI) Letter no. 7(8)/2009–PE–VII dated 25th September, 2012. The Revival Scheme was sanctioned by the BIFR and final Summary Record of Proceedings were issued on 04.03.2014.
- 25.3.** Clause 18.7 of the final Summary Record of Proceedings read as “The Company’s request to convert Government of India loan of Rs. 231.01 Crore and Rs. 28.84 Crore dues of Government of Madhya Pradesh & its corporations as agreed by them into equity and infusion of fresh equity of Rs. 157 Crore to meet part finance of total capital expenditure of Rs. 285 Crores for Revival & Mill Development Plan (RMDP) and thereafter to de–rate the equity workout after taking consideration Government of Madhya Pradesh dues also.”
- 25.4.** Further, vide letter F/5/2002/10–3 dated 25/02/2012, Government of Madhya Pradesh had also given the in principle approval for conversion of Government of Madhya Pradesh dues of Rs. 28.84 Crores 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. 28.84 Crores 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. 28.84 Crores into Equity Share of Nepa Limited.
- 25.5.** As per the Draft Rehabilitation Scheme (DRS) for revival of the company Government of India has released fresh equity infusion of Rs. 157 Crore in four installments i.e. Rs. 8.10 Crore on 27.03.2014, Rs. 50.00 Crore on 26.12.2014, Rs. 50.99 Crore on 23.10.2015 and Rs. 47.91 Crore on 31.03.2016. Non–plan loan of Rs. 38.26 Crores towards salaries and wages was received from Government of India in March 2020.
- 25.6.** 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.
- 25.7.** A revised RMDP package amounting to Rs. 469.41 crore has been sanctioned by GOI/CCEA on 3 October, 2018.
- 25.8.** 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



there letter No. 7(12)/2014–PE–VII dated 12th October 2018 have directed for infusion of additional equity of Rs. 277 crores for revised cost estimates of Revival Mill Development Plan to be issued as Equity shares to Government of India and 90.83 Crore for VRS (Voluntary Retirement Scheme) to be issued as 7% non–cumulative preference shares to Government of India.

- 25.9.** Accordingly, Government of India vide letter no. vide letter No. 7(12)/2014–PEVII dated 18.12.2018. have released a sum of Rs. 33 Crores for part implementation of RMDP in Nepa Ltd and desired that company should issue 3,30,00,000 ordinary shares of Rs. 10/– each in the name of the President of India vide letter No.7(12)/2014–PE–VII dated 11.03.2019 and part payment of 16.54 Crore vide letter No.7(12)/2014–PE VII dated 12.03.2019 for voluntary retirement scheme VRS and desired that company should issue 7% non–cumulative preference share of Rs. 1000/– each in the name of the President of India.
- 25.10.** 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. The company applied for and obtained the necessary approvals from Government of India and Government of Madhya Pradesh for various concessions/sacrifices as per the BIFR order.
- 25.11.** In its 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.
- 25.12.** Postal Ballot was conducted for shareholder approval and the result was declared on 10.08.2019 in which the proposed de–rating of Shares is approved by 100% Votes in favour by Shareholders of the company.
- 25.13.** 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.

26. 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:

26.1. Ministry of Heavy Industries, Government of India

- 26.1.1.** Sanction of conversion of GOI loan of Rs. 231.01 Crore was received and accordingly shares have been allotted to GOI in earlier years.
- 26.1.2.** 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. 60 Crores upto 31.03.2019
- II. 1,65,400 7% Non-Cumulative Preference Shares amounting to Rs. 16.54 Crores during the year.
- III. Further 3,00,000 7% Non-Cumulative Preference Shares are pending for allotment as on 31.03.2020.

The above sum of Rs. 76.54 Crores has been used to discharge the liability on account of Voluntary Retirement Scheme.

26.1.3. Amount of Rs. 90.83 Crores has been sanctioned towards VRS for approximately 400 employees out of which amount of Rs. 46.54 crores has been received. Against this Rs. 16.40 Crores has been allotted as 7% Non-Cumulative Preference Shares in current year and Rs. 30 Crores is pending for allotment by way of 7% Non-Cumulative Preference Shares.

26.2. Ministry of Environment & Forest, Government of India

Lease premium of Rs. 22 Crore 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 18 which is valid upto 23.07.2032

26.3. The Registrar of Companies, Gwalior

ROC has provided the waiver in fees and penalty for enhancement of authorized share capital has been obtained. 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.

26.4. The Customs and Excise Department

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

26.5. Government of M.P.

26.5.1. Approval of conversion of miscellaneous dues of Rs. 28.84 Crore has been received from Government of Madhya Pradesh, accordingly shares have been allotted to Government of Madhya Pradesh worth Rs. 28.84 crores in the earlier years.

26.5.2. 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 exemption are yet to be applied. Presently GST is levied, collected and paid as per applicable provisions.

27. 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:–

(Rs. in Crore)

	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	3.47	35.35	28.84	231.01
Less: Estimation error in revival scheme	–	–	0.49	–
Less: Amount disclosed in contingent liability	–	19.14	–	–
Amount as per books (Liability)	–	16.21	28.35	–
Amount as per books (Converted to Equity)	–	–	–	231.01
Amount accounted as waiver of Interest and Penal Interest	3.47	–	–	–

28. The company has increased its authorized share capital from Rs. 525.00 crores to Rs. 690.83 crores vide resolution dated 10.08.2019 passed by shareholders through postal ballot as per the following Capital Structure:–

- i. Rs. 540.00 crores divided into
 - (a) 52,47,67,344 Equity Shares of Rs.5/– Each and
 - (b) 27,76,16,328 Equity Shares of Rs.10/– each
- ii. Rs. 150.83 crores divided into 15,08,300 7% Non–Cumulative Preference Shares of Rs.1,000/– each.

**29. Property, Plant and Equipment under Renovation and Impairment**

29.1. 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.

29.2. 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. 15.75 crores (Previous year Rs. 17.23 crores) the Capital Work in Progress on account of the RMDP is Rs. 252.03 crores (Previous Rs. 191.67 crores). 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 & Equipments. Hence, the management believes that no impairment provision is necessary.

30. 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 31.03.2020 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)		
	2019-20	2018-19
Present Value of obligations as at beginning of year	3080.80	2949.96
Interest Cost	231.06	221.25
Current Service Cost	98.99	76.78
Benefits Paid	(1515.75)	(520.71)
Actuarial (Gain)/Loss on obligations	58.74	353.52
Present value of obligations as at end of the year	1953.84	3080.80



II. Table showing changes in the fair value of plan assets (Rs. Lakhs)		
	2019–20	2018–19
Fair value of plan assets at beginning of year	2317.15	2649.47
Expected return on plan assets	87.44	188.39
Contributions	NIL	–
Benefits Paid	(1515.75)	(520.71)
Actuarial (Gain)/Loss on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	888.84	2317.15

III. Table showing fair value of plan assets (Rs. Lakhs)		
	2019–20	2018–19
Fair value of plan assets at beginning of year	2317.15	2649.47
Actual return on plan assets	87.44	188.39
Contributions	–	–
Benefits paid	(1515.75)	–
Fair value of plan assets at the end of the year	1953.84	2317.15
Funded Status	(763.69)	(763.69)
Excess of Actual over estimated return on plan assets	NIL	NIL

IV. Principal Actuarial Assumption		
	2019–20	2018–19
Discount Rate as on 31.03.2020	7.250%	7.50%
Annual increase in salary costs	7.00%	7.00%

V. Actuarial Gain/ (Loss) recognized Amount (Rs. Lakhs)		
	2019–20	2018–19
Actuarial (gain)/ loss on obligations	58.74	353.52
Actuarial (gain)/ loss for the year – plan assets	NIL	NIL
Actuarial (gain)/ loss on obligations	58.74	353.52
Actuarial (gain)/ loss recognized in the year	58.74	353.52

VI. Amounts to be recognized in the Balance Sheet and Statement of Profit & Loss (Rs. Lakhs)		
	2019–20	2018–19
Present value of obligations as at the end of year	1953.84	3080.80
Fair value of plan assets as at the end of the year	888.84	2317.15
Funded Status	(1064.99)	(763.65)
Net liability/(asset) recognized in balance sheet	(1064.99)	(763.65)



VII. Expenses Recognised in Statement of Profit & Loss	(Rs. Lakhs)	
	2019–20	2018–19
Current Service cost	98.99	76.78
Interest Cost	231.05	221.25
Expected return on plan assets	(87.44)	(188.39)
Net Actuarial (gain) / loss recognized in the year	58.74	353.52
Expenses recognized in Statement of Profit and Loss	301.35	463.15

31. Employee related payments

- (a) Provision for salary/wages and P.F. payable from 1st April 2019 to 31st March, 2020 has been made in the books of accounts. An amount of Rs 101.58 Crores has been sanctioned vide CCEA decision dated 03.10.2018 towards salary/wages and statutory dues related to employees out of which Rs. 38.25 Crores has been received during the Financial year 2019–20 (including 3.94 for payment of Electricity Bill). Company has paid premium to LIC during the year 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 420.22 Lakhs (previous year Rs.785.83 Lakhs) during the year for leave encashment liability towards employees.

32. 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 the entire revenue from operations as per Note No. 18 of Rs. 1105.55 Lakhs are from the said business activity.

33. 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.	Cmde. A. N. Sonsale	CMD/ (Addl. Charge) (Tenure completed on 24.12.2019)
2.	Sh. C. Ananda	Managing Director (w.e.f.18.12.19)
3.	Sh. Ravindra Kumar	Director Finance (Tenure completed 01.05.2019)
4.	Sh. Pradeep Kr. Naik	Director (Finance)/ / (Addl. Charge) (w.e.f. 02.05.2019)
5.	Ku. Purnima Parashar	Company Secretary/CFO (w.e.f. 15.03.2019)

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

(Amount in Rs. Lakhs)

S. No.	Nature of Transaction	2019–20	2018–19
1	Remuneration		
	1. Cmde. A. N. Sonsale	4.30	11.44
	3. Sh. Ravindra Kumar	1.20	13.93
	4. Sh. Sanjay Kumar Ojha***	0.00	4.60
	5. Ku. Purnima Parashar	6.72	–
2	Travelling Exp.		
	1. Cmde. A. N. Sonsale	1.23	0.11
	3. Sh. Ravindra Kumar	0.21	0.59
	4. Sh. Sanjay Kumar Ojha	0.00	0.82
	5. Ku. Purnima Parashar	0.37	–
3	Other Directors' Travelling Expenses (Incl. foreign tour expenses)	0.86	0.21

*** Shri Sanjay Ojha Resigned on 04.12.2018

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"

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

(In Lakhs)

	Particulars	2019–20	2018–19
i.	Net Profit / (Loss) for calculating basic / diluted EPS in (Rs. Lakhs)	(7125.76)	(7778.83)



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).	6896.72	5246.7
iii.	Nominal Value of Share (Rs.)	10 & 5	10
iv.	Basic EPS (Rs.)	(1.03)	(1.48)
v.	Weighted Average Number of equity Shares for Diluted EPS.	9917.72	5906.70
vi.	Diluted EPS (Rs.)	(1.03)	(1.48)

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 (1510.5 lakh shares) are not considered being anti–dilutive in nature in calculation of dilutive earnings per share.

35. 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.

36. Contingent Assets/ Liabilities and Capital Commitments

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

36.2. 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 not acknowledged as debt – Rs.48.72 Lakhs (Previous year Rs. 86.14 Lakhs).
- (b)** Bank Guarantee outstanding by Rs 287.60 Lakhs (Previous year Rs. 287.60 Lakhs).
- (c)** 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.

(d) 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 31.03.2020 is Rs.4,076.95 lakhs (Previous year Rs.3,660.55 lakhs).
A part from the above cases, three individuals have filed cases against the company related to service matters and the total claim amount is Rs.1.48 lakhs.
- II. Case filed by of piece rated workers of Sales Godown is pending in the High Court, Indore. Representative Union also filed an application in the 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 31.03.2020 is Rs.2515.39 lakhs approximately (Previous year Rs. 2256.84 lakhs).
- III. Estimated liability of Rs.51.36 lakhs (Previous year 91 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 Nepa Nagar 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. 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.321.55 lakhs on this account.

- V.** Contingent liability of Rs.347.89 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.140.00 Lakhs (previous year Rs. 125.00 Lakhs) towards maintenance and salaries for Level Crossing of Nepanagar 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.** M.P. Commercial Tax Department imposed penalty/interest and additional tax under Entry Tax Act as per assessment order for the accounting year 2008–09, 2009–10 and 2010–11 amounting to Rs. 97.73 lakhs (previous year Rs. 97.73 lakhs) against which revision / appeal is pending before the Commissioner (Commercial Tax), Indore and Dy. Commissioner (Commercial Tax), Khandwa.
- VIII. TDS Defaults of Rs. 19.40 Lakhs**
Various notices imposing penalties of Rs. 19.40 Lakhs for various non-compliance with respect to TDS under the Income Tax Act, which are not complied with. The company is in the process of rectifying the demand.
- IX.** The following outstanding demand of Rs.202.86 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:

Assessment Year	Section Code	Date on which demand raised	Outstanding demand amount
2017–18	220(2)	10/05/2020	1,200/–
2018–19	143(1)(a)	16/10/2019	2,02,85,425/–
Total			2,02,86,625/–

- X.** 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.



- XI.** Company has availed EPCG Scheme for import of capital plant & machinery. As on 31.03.2020, custom-duty of Rs.2576.00 Lakhs (Previous Year Rs. 2600.00 Lakh have been saved, against which there is Export Commitment of Rs. 2600 Lakhs. (Previous Year 15600 Lakhs)

36.3. CAPITAL COMMITMENT (NET OF ADVANCE)

- (a) Estimated amount of contracts remaining to be executed on capital account is Rs.16,365.83 Lakhs (Previous year Rs.17,486.72 Lakhs).
- (b) Company has finalized contracts for supply of indigenous & imported plant & machinery of De-inking Plant and for refurbishing/renovating both the paper machines and captive power plant and others works to the tune of approx Rs. 40,356.56 lakhs (Previous year Rs.28,542.24). The Company has paid amount for supplies/advances/services to the tune of Rs. 24589.69 lakhs (Previous year Rs. 8218.17Lakhs) and balance is capital commitment on account of Revival Project.
- (c) 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. 434 Crore (Net of EPCG benefits of Rs. 24 Crore) 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.149 Crore) as well as the component of Rs.128 Crore 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:

(Rs. In Crores)

S.no	Particulars	Amount
1.	Infusion of additional equity towards financing the Revised Cost estimate – of RMDP including Rs 128 Cr. as equity funding in lieu of bank loan.	Rs. 277.00
2.	Sanction of loan towards funds required for payment of Salary and wages and statutory dues of employees	Rs.101.58
3.	Sanction of fund in the form of 7% non-cumulative preference shares towards funding of voluntary Retirement Scheme	Rs.90.83
	Total	Rs.469.41
	Out of this following installments have been received. For RMDP project:– (i) Rs. 33 Cr (2018–19) (ii) Rs. 151.05 Cr (2019–20)	Rs. 184.05
	For Payment of Salary & Wages (2019–20)	Rs. 65.78
	For Payment of VRS (2019–20)	Rs. 45.54



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

37. The accounts have been prepared on going concern basis despite losses for the year ended 31st March 2020 of Rs. 7,125.76 Lakhs (Previous year Rs.7,778.83 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.

38. 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 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.

39. Payment to Statutory Auditors

Particulars	2019-20	2018-19
(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	15,000
Total	2,75,000	2,65,000

40. Foreign Exchange Transactions:

(a) Expenditure in Foreign currency (Rs. in lakhs)

S.no.	Particulars	2019-20	2018-19
1	For RMDP (Incl. advance)	250.48	739.72
	Total	250.48	739.72



- (b) Income in foreign currency Rs. 8,335.00 (Previous year–NIL).
(c) CIF value of Imports.

(Rs. In Lakhs)

S.No	PARTICULARS	2019–20	2018–19
1	Raw Materials	NIL	NIL
2	Capital Goods under RMDP	678.38	NIL
	TOTAL	678.38	NIL

41. Supplementary Information

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

(Amount in Rs. Lakhs)

S. No.	Particulars	Raw materials	
		2019-20	2018-19
1	Imported	NIL	NIL
2	Indigenous	NIL	NIL

42. Status of Secretarial Compliances

- 42.1.** Company was unable to file form SH–7 due to technical issues. Complaint was logged with MCA Technical Team vide SRN No. SR1324544 dated 16.10.2019 which was closed without proper resolution thus again complaint was logged vide SRN SR1425938 which is resolved by MCA on April 04.04.2020.
- 42.2.** Form SH–7 was filled on 09.04.2020 which is still pending with ROC (Query was raised by ROC for Filing of INC–28 which is time Barred for which CG–1 condonation of Delay is already filled with Central Government dated 05.09.2020 vide SRN R53411427 which is also pending for approval) due to which company is not able to File AOC–4 XBRL for the F.Y. 2018–19 and PAS–2 Allotment of Equity and Preference Share Capital Form with ROC. Company is already under process for filling of all these forms.
- 42.3.** Director on the Board of Company was appointed by Government of India. After vacancy of Independent Director on the Board on 18/02/2019 Independent Director Smt., Kalpana Shrivastav was appointed by the GOI and on 20/02/2020 Smt. Kamlawati Singh was appointed on Board of Nepa Ltd by GOI. As on 31.03.2020 Board of Nepa Ltd is properly constituted as per requirement of Companies Act, 2013 and Corporate Governance Guidelines for CPSE by DPE.



- 42.4. Company has issued shares to President of India and Governor of Madhya Pradesh during the period 17-02-2016 to 30-08-2016. 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 2019-20.
- 42.5. Charge Satisfaction form was already filled but Charges were not removed from ROC charge Index and Filled copy of the Form is not available with the Company as Physical copies were submitted at that time instead of online filling.
- 42.6. Revival Mill Development Plan is under implementation and there is no production and manufacturing activities during the year. No Cost Auditors are not appointed for the F.Y. 19-20.
43. 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 suspension of capitalization of RMDP from 25th March, 2020 to 14th April, 2020 following the nationwide 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.
44. Amounts reported in the Balance Sheet and Statement of Profit & Loss are in Indian rupees rounded off to the nearest Rupees in Lakhs.
45. 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
Chartered Accountants
FR NO. 006600C

FOR AND ON BEHALF OF THE BOARD

(CA Vikram Gupte)
Partner
M.No. 074814
Place: Indore
Date: 04.12.2020

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

(C Ananda)
Chairman cum Managing Director
(Addl. Charge)
DIN No. [08676688](#)

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



**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 2020**

The preparation of financial statements of the NEPA Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 04 December 2020.

I, on behalf of the Comptroller and Auditor General of India have decided not to conduct the supplementary audit of the financial statements of the NEPA Limited for the year ended 31 March 2020 under section 143(6) a) of the Act.

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

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

Place : New Delhi

Date: 23/12/2020