

From the desk of the Chairman

Dear Members,

It is my privilege to welcome you for joining us today at the 77th Annual General Meeting of our esteemed Company. Your presence here is truly valued and appreciated.

On behalf of the Board of Directors, I am honoured to present to you the highlights of our Company's performance during the fiscal year 2023-24, along with the Auditors' Report and the Audited Accounts for the year ending 31st March 2024.

Nepa has undergone a remarkable transformation since facing reference to BIFR in 1998 amid challenges following India's economic liberalization and increased paper imports, which led to financial difficulties. However, with the approval of a revival and mill development plan, Nepa's fortunes turned around, culminating in the modernization of our plant between 2015 to 2022.

Our journey reflects resilience, supported by the trust of our customers, shareholders, partners, dedicated team members, and stakeholders who have been instrumental in driving our progress and aspirations. Government support through the revival plan has been pivotal in our plant modernization efforts. In response, we have significantly contributed to the nation by supplying high-quality newsprint, writing, and printing paper essential to industries like printing, publishing, and writing.

Even amidst fund crisis and other financial challenges, we tried to maintain our fundamental strength, driven by our vision and resilience.

While transition to a paperless society may seem inevitable for some, we recognize that in India, achieving this transition will take considerable time. Factors such as limited access to technology, gaps in primary education, and the longstanding tradition of maintaining hard copies of important documents in workplaces suggest that a fully paperless civilization is still a distant reality.

Moreover, the enduring demand for printed books and packaging underscores paper's essential role in society, presenting us with substantial opportunities. Our strategy focuses on incrementally boosting turnover through enhanced sales, aligning with shifting global paper market dynamics where demand is rising in Asia and Africa while declining in developed nations.

Proactive measures such as expanding production capacity, securing raw materials at best prices, and embracing environmental standards and technological advancements are yielding positive results. These efforts enhance customer satisfaction and contribute to a healthier environment.

As we navigate these opportunities and challenges, Nepa is well-positioned as a proactive leader in the Indian paper market, committed to sustainable growth and delivering value to all stakeholders."

Future Plan

Looking ahead, we envision a promising future for our nation, driven by synergy, innovation, and unwavering dedication to excellence in our industry.

Our company is actively pursuing a phased diversification of our paper products portfolio to meet evolving societal needs. In addition to maintaining high standards in writing and printing paper, we are expanding our offerings to include specialty products such as Kraft paper, tissue paper, and packaging papers. This initiative is aimed at enhancing our market presence and meeting diverse customer demands.

Concurrently, we are intensifying efforts to improve operational efficiency and sustainability. This includes optimizing the consumption of resources such as steam, power, chemicals, and water per unit of output. We are also implementing proactive measures to minimize machine breakdowns, ensuring consistent operational efficiency.

Through these strategic initiatives, we are poised to strengthen our competitiveness and drive sustainable growth in the industry.

Corporate Governance

Our company rigorously adheres to the Corporate Governance standards mandated by the Companies Act, 2013, and the latest Guidelines on Corporate Governance issued by the Department of Public Enterprises, which are obligatory as a CPSE (Central Public Sector Enterprise). A detailed report on Corporate Governance is included in the Director's Report.

We are steadfast in our commitment to enhancing Corporate Governance practices to ensure the highest levels of transparency and accountability in all our operations. With the implementation of the new Companies Act, Corporate Governance has gained significant importance, and we are dedicated to meeting these elevated standards.

The appointment of Independent Directors by the President of India to the board of Nepa Limited has brought invaluable guidance and a professional, forward-thinking approach. Their presence enhances objectivity in our decision-making processes, further bolstering our Corporate Governance framework.

Social Responsibility

At Nepa Limited, we uphold the highest standards of safety and social responsibility across all our business activities. We are deeply committed to meeting the essential needs of society and contributing positively to community development, particularly in this adivasi belt of Madhya Pradesh and surrounding villages, where Nepa serves as a lifeline by providing vital medical assistance and more.

To fulfil this commitment, we have implemented a diverse range of initiatives including blood donation drives, yoga workshops, health awareness programs, and cultural activities. These efforts are aimed at nurturing local arts, enhancing community well-being, and making a meaningful impact on society.

Looking ahead, we recognize boundless opportunities before us. By aligning our efforts with the evolving needs of our stakeholders and leveraging our expertise in paper production, we are committed to navigating transitions thoughtfully and sustainably. Together, we are prepared to seize the opportunities of tomorrow, guided by our shared commitment to excellence and sustainable growth.

I extend my sincere gratitude to all our stakeholders for their unwavering trust and support on our journey. With our steadfast dedication to hard work, commitment to innovation, and ambition to excel, we are confident that the future holds tremendous promise for us.

Rakesh Kumar Chokhani
Chairman-cum-Managing Director

BRIEF PROFILE OF THE COMPANY

Nepa Limited, a pioneering Newsprint Company of India, is centrally located in Neapanagar, District Burhanpur, Madhya Pradesh. Established on January 25th, 1947, originally under the name "The National Newsprint & Paper Mills Ltd," it was India's sole newsprint manufacturing unit until 1981. The management was initially taken over by the State Government of Central Province and Barar (now Madhya Pradesh) in October 1949 from private promoters, followed by the Government of India assuming controlling interest in 1958. The company was officially renamed Nepa Limited on February 21st, 1989. The company's administrative and registered office remains situated in Neapanagar, Madhya Pradesh.

Nepa has undergone a transformative journey, navigating significant challenges after being referred to BIFR in 1998 due to economic liberalization and increased paper imports, which posed financial challenges. Despite facing several unsuccessful disinvestment attempts between 1995 and 2003, a pivotal moment came with the introduction of the Nepa Limited - Disinvestment of Ownership Bill in 2007.

The Parliament rejected disinvestment and referred the matter to the DRPSC (Department Related Parliamentary Standing Committee) and BRPSE (Board of Reconstruction of Public Sector Enterprises) to explore options for revival. Following BRPSE's recommendation for a revival package in September, 2011, the Government of India approved the Revival and Mill Development Plan (RMDP) for Nepa in September, 2012.

After BIFR sanction and environmental clearances, the RMDP was executed from 2016 to 2022, during which the company enhanced its production capacity to 100,000 metric tonnes per annum (TPA). The plan aimed to manufacture both newsprint paper and writing & printing paper. Commercial production commenced from October 2022, marking a significant milestone for the company.

This journey underscores Nepa's resilience and strategic foresight in adapting to industry challenges, reinforcing its position as a cornerstone of India's paper manufacturing sector.

Vision	Mission
<p>To become a major contributor and leader in the Indian Paper Industry and make company viable and self-sustainability.</p>	<p>To meet customer requirement through best quality products, innovation, and integration.</p>

NEPA LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Particulars
Shri Rakesh Kumar Chokhani	Chairman cum Managing Director
Dr. Renuka Mishra	Part-time Official Director
Shri. P.K. Naik	Director (Finance)
Shri Atul Kumar Mishra	Part-time Official Director
Shri Milind Sharadchandra Kanade	Independent Director

AUDIT COMMITTEE

Name	Particulars
Shri Milind Sharadchandra Kanade	Independent Director as Chairperson
Shri Atul Kumar Mishra	Part-time Official Director as Member
Shri P.K. Naik	Director (Finance) as Member

NOMINATION & REMUNERATION COMMITTEE

Name	Particulars
Shri Milind Sharadchandra Kanade	Independent Director as Chairperson
Shri Atul Kumar Mishra	Part-time Official Director as Member
Shri P.K. Naik	Director (Finance) as Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Name	Particulars
Shri Milind Sharadchandra Kanade	Independent Director as Chairperson
Shri Atul Kumar Mishra	Part-time Official Director as Member
Shri Rakesh Kumar Chokhani	Chairman cum Managing Director as Member
Shri P.K. Naik	Director (Finance) as Member

KEY MANAGERIAL PERSONNEL

Name	Particulars
Smt. Nidhi Mishra	Company Secretary
Shri Vikas Reddy	Chief Financial Officer

Auditors	Statutory Auditor: M/s A I Kothari and Associates, Chartered Accountants, Jalgaon Secretarial Auditor: IG & Associates, Company Secretaries, Indore Cost Auditor: Chatterjee & Gazi Associates, Cost Accountant, Kolkata
Registered Office:	Nepanagar, Dist. Burhanpur, Madhya Pradesh- 450221
Bankers	State Bank of India, Bank of India

To,
The Members,
Nepa Limited

NOTICE is hereby given that the 77th Annual General Meeting of the members of Nepa Limited will be held on Saturday, 26th October, 2024 at 05.00 PM at the Registered Office of the Company 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, 2024, 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 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 Subhash Chand Jain Anurag & Associates, Indore, Statutory Auditors, 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)/1836 dated 22.09.2024 for Financial Year 2024-2025.

AS SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending on 31st March, 2025 as set out in the statement annexed to the Notice convening this Meeting, be and is hereby ratified by the shareholders of the Company.”

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

By Order of the Board of Directors

For NEPA LTD.

Nidhi Mishra

Company Secretary

M. No. : A53762

Date: 04.10.2024

Place: NEPANAGAR

IMPORTANT NOTES:

1. Pursuant to Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 and in continuation to General Circular No. 09/2023 dated September 25, 2023 & No.09/2024, issued by the Ministry of Corporate Affairs (MCA) (hereinafter collectively referred to as “the Circulars”), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Purva Sharegistry (India) Private Limited (Purva) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by Purva.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.nepamills.nic.in. The AGM Notice is also disseminated on the website of PURVA

(agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [https://evoting.purvashare.com/.](https://evoting.purvashare.com/))

THE INSTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins at 9:00 A.M. on 23rd October 2024 and ends at 5:00 P.M. on 25th October 2024. During this period shareholder’s of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 19th October 2024 may cast their vote electronically. The e-voting module shall be disabled by Purva for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

- (iii) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.
- 1) The shareholders should log on to the e-voting website <https://evoting.purvashare.com>.
 - 2) Click on “Shareholder/Member” module.
 - 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter EVENT Number followed by Folio Number registered with the company. For example, if folio number is 001*** and EVENT is 8 then user ID is 8001***
 - 4) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> ● Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

- (iv) After entering these details appropriately, click on “SUBMIT” tab.
- (v) Shareholders holding shares in physical form will then directly reach the Company selection screen.
- (vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vii) Click on the EVENT NO. for the relevant <Company Name> on which you choose to vote.
- (viii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO/ABSTAIN” for voting. Select the option YES or NO or ABSTAIN as desired. The option YES implies that you assent to the Resolution, option NO implies that you dissent to the Resolution and option ABSTAIN implies that you are not voting either for or against the Resolution.
- (ix) Click on the “NOTICE FILE LINK” if you wish to view the Notice.
- (x) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xii) Facility for Non – Individual Shareholders and Custodians – Remote Voting
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://evoting.purvashare.com> and register themselves in the “Custodians / Mutual Fund” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should

be emailed to evoting@purvashare.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address secretary@nepamills.nic.in, if they have voted from individual tab & not uploaded same in the Purva e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend the meeting will be available where the EVENT NO. of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **03 days prior to meeting** mentioning their name, folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **05 days prior to meeting** mentioning their name, folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting

during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like 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 support@purvashare.com.

Other Instruction

1. 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.
2. 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
3. The voting rights of Members for e-voting and e-voting at the meeting shall be in proportion to their shares of the paid up equity share capital of the Company as on 19th October, 2024.
4. The result on resolutions shall be declared on or before the closing business hours on 28th October, 2024 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.
5. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Registrar & Transfer Agent as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as e-voting at the AGM.
6. 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.
7. 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.

If you have any queries or issues regarding attending AGM & e-Voting from the Purva e-Voting System, you can write an email to evoting@purvashare.com or contact at 022-49614132 and 022-49700138.

All grievances connected with the facility for voting by electronic means may be addressed to Ms. Deepali Dhuri, Compliance Officer, Purva Sharegistry (India) Private Limited, Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel (East), Mumbai - 400011 or send an email to evoting@purvashare.com or contact at 022-022-49614132 and 022-35220056.

EXPLANATORY STATEMENT

(Pursuant to section 102 (1) of the Companies Act, 2013 in respect of item no. 3, contained in the Notice of meeting)

Item No. 3

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

Based on the recommendation of the Audit Committee, the Board of Directors has approved the names of M/s PRABHA SHARMA & ASSOCIATES, BHOPAL Firms for appointment for a total remuneration of Rs. 36000/- inclusive of all taxes, duties & all other expenses.

Accordingly, Members are requested to ratify the remuneration payable to the Cost Auditors for the Financial Year ending on 31st March, 2025.

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

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

By Order of the Board of Directors

For NEPA LTD.

Nidhi Mishra

Company Secretary

M. No. : A53762

Date: 04.10.2024

Place: NEPANAGAR

FIVE YEAR DIGEST					(₹ In Lakhs)
	2023-24	2022-23	2021-22	2020-21	2019-20
Production(MT)	23356	6526	0	0	0
Revenue from Operation	12458.61	2717.17	2069.90	1736.63	1243.32
Profit/Loss before interest & Depreciation	(5540.48)	(4547.69)	(1513.20)	(1604)	(4135.75)
Interest	5257.47	4867.48	4394.14	3703.08	2894.15
Cash Surplus / Deficit	(10797.94)	(9415.17)	(5907.34)	(5307.09)	(7031.9)
Depreciation	1878.19	1164.43	82.55	83.08	93.86
Net Profit / Loss before prior period items	(12676.13)	(10135.97)	(5989.89)	(5390.17)	(7125.76)
Equity Share Capital	61778.78	61778.78	53937.78	53937.78	29537.78
Loan (Excl. Interest)					
Long Term	6594.60	9258.80	11923.00	10157	4169.6
Short Term	19735.49	15421.20	12757.00	400.4	3427.54
Net Fixed Assets (Excl. Capital Work-in- Progress)	37162.61	38607.31	1426.88	1499.31	1575.41
Current Assets	16337.71	21253.78	29309.81	25206.43	26783.04
Current Liabilities (Incl. unpaid interest on Loans)	57922.09	47233.93	40555.23	36196.41	41029.11
Working Capital	(41584.38)	(25980.15)	(11245.42)	(10989.98)	(14246.07)
Capital Employed	(3799.94)	12627.16	(9818.54)	(9490.67)	(12670.66)
Net Worth	(14284.27)	(1608.08)*	11971.56	10120.5	(11889.28)
Earnings (Net Profit) to Sale (%)	(1.01)	(3.89)	(2.89)	(3.10)	(5.73)
Number of Employees	504*	536*	431*	300	338
*Includes Contractual employees					
** Net worth excluding share application money pending allotment					

EMPLOYEMENT COST SUMMARY					(₹ In Lakhs)	
Sr. No.	Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
A)	SALARY & WAGES TOTAL (A)	1905.33	1941.66	1539.59	1557.19	1529.99
B)	EMPLOYEES BENEFITS :					
	Provident Fund & Others	230.13	230.26	186.19	192.88	199.43
	Gratuity**	(1233.48)	461.64	79.80	707.98	614.16
	Township	68.58	88.02	100.69	96.34	114.76
	Education	0.00	0.00	0.00	0	0
	Medical	73.02	79.23	85.57	93.52	81.09
	Other Benefits incl. Leave Travel concession, cultural activities	236.75	296.90*	66.01	48.11	51.76
	TOTAL (B)	(625.01)	1156.05	518.25	1138.83	1061.2
C)	Payment of Employees under VRS and previous year exp.					
	Not shown in earlier year :					
	Voluntary Retirement Schemes (VRS)	0.00	0.00	0.00	0	2658.31
	Gratuity	0.00	0.00	0.00	0	0.49
	Leave Encashment	0.00	0.00	0.00	0	115.04
	TOTAL ©	0.00	0.00	0.00	0	2773.84
	TOTAL (A+B+C)	1280.32	3097.71	2057.84	2696.02	5365.03
	Number of Employees	504	536	431	300	338
	Average Salaries, Wages etc., per employees per Annum (Rs.)	378041	362250	357213	519063	452660
	Average Cost of employees benefit per employees per Annum (Rs.)	(124009)	215681	120243	379610	313964
	Average Employment Cost per employee per Annum (Rs.)	25403	577931	477457	898673	766624
*Includes Leave encashment Exp of current year						
** Negative figure due to reversal of excess provision of earlier years.						

DIRECTORS' REPORT TO THE SHAREHOLDERS

To
The Shareholders,
Nepa Limited

Directors of your company have pleasure in presenting the 77th Annual Report of the company for the Financial Year ended 31st March 2024 along-with the Audited financial statement, Auditors' Report.

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

The highlights of financial performance of your Company during the Financial Year 2023-24 together with corresponding figures for the Previous Year are given below:

	(₹. in Lacs)	
PARTICULARS	2023-2024	2022-2023
INCOME		
Sales of Newsprint	10854.96	803.31
Sales of Petrol/Diesel/Lubricant	1391.38	1627.71
Other Operating Income	212.27	286.15
Total Income	12458.61	2717.17
EXPENDITURE		
Raw Materials	7769.37	2875.24
Manufacturing Expenses	4908.73	2,446.58
Purchase of Petrol/Diesel/Lubricant	1372.55	1607.73
Change in inventories of Finished Goods / Stock	1124.53	(2559.35)
Employee Remuneration & Benefits	1280.32	3097.71
Expenses on Administration, Township, Social Overheads and Selling & Distribution Expenses	2456.16*	704.88
Total Expenditure	18911.66	8172.79
Operating Profit/(Loss)	(6453.05)	(5,455.62)
Less: Interest Income / (Expenses) – Net	(5257.47)	(4867.48)
Less: Depreciation	(1878.19)	(1164.43)
Add: Other Income	912.57	1351.55
Profit / (Loss) after Depreciation & Interest	(12676.13)	(10135.97)
Exceptional Items (Prior Period Adjustments)	0	443.63
Net Profit / (Loss)	(12676.13)	(10579.60)
Accumulated Profit / (Loss)	(83717.05)	(71041.25)
*Includes Provision created during the year		

2. Production & Sale

In the fiscal year 2023-24, Nepa Limited produced 21,607 metric tonnes (MT) of Newsprint Paper and 1,749 MT of Writing & Printing Paper. Total sales amounted to 24,814 MT of Newsprint Paper and 50 MT of Writing & Printing Paper. As of the end of the fiscal year, the company had a balance of 1,668 MT of Newsprint Paper and 1,654 MT of Writing & Printing Paper in finished goods inventory.

A milestone was achieved on June 15, 2023, with the highest single-day production of Newsprint at 262 MT in the history of Nepa.

Following successful trials and commissioning in previous years, all areas of the plant are now operational with improved product quality. However, operational challenges persist, leading to occasional plant stoppages due to technical such as parameter adjustments, start-up breakdowns, and breakdown in old components. Plant is also facing shortage of skilled and experienced manpower.

Working capital shortages lead to disruption in supply of raw material and chemicals.

3. **Operation**

Following the successful completion of the Revival and Mill Development Plan (RMDP), Nepa Limited resumed production of newsprint and writing and printing paper. Although some technical challenges arose initially, each issue was systematically addressed. Over the course of the year, there was a steady improvement in product quality across all operational areas, including the powerhouse, paper machines, de-inking plant, and Effluent Treatment Plant with the sludge handling system.

Nepa has distinguished itself as India's sole producer of 42 GSM newsprint paper, offering enhanced paper length or mileage per sheet. Additionally, the company achieved a significant milestone by introducing the first-ever 75 GSM writing and printing paper with 76% brightness, utilizing the same raw materials but with a different raw material mixing ratio. This innovative product, named "Nepa Ecoprint," was officially launched at the Paperex mega event in New Delhi on December 7th, 2023.

Despite these achievements, Nepa faced initial challenges due to a shortage of trained and skilled manpower for operating critical facilities such as the Powerhouse, De-Inking Plant, and paper mills equipped with automated systems (PLC based, DCS & QCS). To address this, the management hired specially trained personnel from outside and provided employment opportunities to local residents.

This concerted effort underscores Nepa's commitment to overcoming operational hurdles and advancing as a leader in India's paper manufacturing industry, while also contributing to local employment and economic development.

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 2024 under review.

7. **Vision and Mission**

Vision

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

Mission

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

8. **OPERATIONS POST RMDP (FY 23-24)**

After completion of major part of RMDP, efforts made to put the plant in operation.

In FY 23-24, only 23 % capacity utilization could only be achieved on account of following :

- Contractors of RMDP backed out due to fund issues and delay and so final commissioning and performance guarantee remained unfulfilled.
- This resulted in much longer Stabilization time. During this period, the salary and other fixed expenses kept on draining the company fund.
- Lack of Skilled manpower. Total 608 Employees opted for VRS between 2016-2019 and only 203 regular employees were available. For 3 shifts operations about 300 people were taken on contract. They were not having requisite skills & experience.

- Only 40% of the equipment were new and rest had to be left old (5 to 6 decades old) but with the running of plant frequent breakdown faced in these old machines.
- Poor market response for writing and printing grades due to low brightness and finish as Size press was not installed during RMDP.
- Paucity of working capital forced frequent shutdowns raising the cost of production very high.
- On account of these factors, company booked loss of Rs 126.76 Cr including interest and depreciation.

9. Environment Management and Pollution Control

All possible measures have been taken to save Soil, Air and water pollution. Also, utmost care has been taken to save the environment. Eco friendly technology has been considered to produce good quality newsprint and writing printing paper by using old newspaper and white material (used office stationery paper) as raw material. For process optimization least minimum possible chemicals are being Utilized. Because the procedure is low-cost and chlorine-free, it produces no pollution or environmental harm.

Following steps were taken and implemented for pollution abatement under Revival and Mill Development Plan (RMDP):

- ❖ Most modern solid waste handling system (Sludge handling system) recovers fibre from effluent generated during plant operation. The installed capacity of Sludge Handling system is 140 MT capacity (with 50 % moisture). Nowadays, Sludge generated from SHS being incinerated in Powerhouse Boiler, which reduces the coal consumption in boiler also way to dispose of solid waste generated during the manufacturing process. Thus, soil pollution is controlled. Similarly, sludge collected at Effluent treatment plant is being sold to cardboard manufacturers.
- ❖ To control water pollution the Effluent treatment Plant (treatment capacity 12,000 cubic mtrs per day) for treatment of wastewater generated is installed and functioning with its full capacity. The treated water is being recycled for process use. Thus, no industrial water is being discharged outside the plant. Thus, plant meets zero Liquid discharge.
- ❖ For air pollution abatement, in Powerhouse new four field Electrostatic precipitator (ESP) are operational to control gases (SO₂, NO_x CO, CO₂ etc.) and escape emissions before discharge to atmosphere through chimney into the atmosphere.
- ❖ Furthermore 80 Mtrs. height chimney has been utilized to discharge the flue gases high in the atmosphere to maintain the cleanliness of the surrounding atmospheric air after meeting all the prescribed environmental norms.
- ❖ Dust suppression system with water spraying showers in coal handling plant and to trap fugitive emissions bag filters near Ash handling plant are operational.
- ❖ To curb the Sulphur emission, lime feeding mechanism also available in powerhouse boiler.

Besides the above mentioned:

- a. E.T. Plant effluent parameters are being monitored with Online Continuous Effluent monitoring system (OCEMS). In power stack air pollution parameters are being monitored with Online Continuous stack Emission Monitoring System (OCSEMS). In addition to this Continuous Ambient air quality monitoring system (OCAAQMS) monitors the quality of ambient/ surrounding air. Above referred all three equipment's parameters transmitted to CPCB /MPPCB cloud-based server real time on Realtime basis.

- b. Spent oil removed from plant has been disposed through certified oil re-processor and Anionic & Cationic Resin falls under the category of Hazardous waste unit and waste resin is disposed to MP Waste Management Project Pithampur M.P. as per guideline of Pollution Control Board.
- c. To create the Environment friendly gesture on Environment Day and on the various occasions extensive tree plantation is carried out in and around township including to maintain clean, green, and healthy environment in NEPA township.

10. Research & Development and Quality & Technology

Our Quality Control and Research & Development Centre is well equipped with most advanced digital testing equipment. The Quality Control team plays a vital role in testing of raw materials, chemicals and other incoming material with respect to the quality & specifications. After completion of RMDP, mill had continued to produce improved quality newsprint paper of higher brightness & desired strength properties from recycle based material. For achieving the desired properties of newsprint and writing & printing paper strict inspection of incoming raw material, pulp produced and manufactured papers are tested at various stages with respect to the standard specification. Finished products are also keenly monitored round the clock by staff available in shifts. Quality & Technology department ensure best quality product dispatched to our valued customer to achieve no customer complaint.

Our Laboratory is also having facility to test the Effluent, service water and DM water parameter. Periodically potable Water quality analysis also carried out to confirm the dosing of water treatment chemical and assure the potable water quality in respect of health and Hygiene Nepa township.

Nepa R&D centre is registered with Department of Science & Industrial Research, (DSIR) Ministry of Science and Technology, Government of India. Experiments and trials in R&D centre have given Nepa Ltd. new vision.

R&D centre is playing a pivotal role in process optimization, product diversification and change in manufacturing process with technological advancement to produce good quality Writing & Printing and Improved Newsprints grades. In order to reduce production cost, R&D also helped in identifying cheaper chemical options with different testing parameters and combination of chemicals & raw materials to produce desired grades and quality of paper in R&D centre. After successful trial in R&D lab, the same is implemented in process plant for commercial production. In addition to this, Samples of diverse types of other papers from different manufacturers are being collected, tested and thoroughly studied in Nepa R&D centre to improve our Nepa product quality.

For better utilisation of sludge & fly ash Research is in progress at Nepa R&D centre.

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.

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.

Manpower : Company's staff strength as on 31.03.2024 was 196 (comprising of 77 Executives, 74 Non-executives & 45 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 dependents 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, 2024 is shown in **Annexure–I** attached.

16. Position of women employees

The particulars of women employees in the Company as on March 31, 2024 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 thereunder. 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 14.09.2023 to 21.09.2023.

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.

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.

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 three preceding financial years, the provisions of Section 135 of the Companies Act, 2013 were not applicable on the Company for the year under review.

The company however has been providing drinking water facility to the Nagar Palika Parishad, Nepanagar for Nepa Township and health care facilities to Nepanagar residents and the neighboring communities since long. Company also undertook community development programs. Company extends full support to various social organizations for conducting social, cultural, religious and sports activities in the Nepanagar township.

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. 2023-24 in the prescribed Form No. MGT-9, is available on www.nepamills.co.in

22. Risk Management Policy:

Nepa Limited has in place a Board approved Risk Management Policy to implement a structured and comprehensive enterprise risk management system. The policy is intended to establish a common understanding, Language and methodology for identifying, assessing, responding, monitoring and reporting risks and to provide assurance to the management that key risks are being properly identified and effectively managed in the company.

23. Energy Conservation

- ❖ By product Sludge is mixing in coal for the burning in boiler to reduce the coal quantity.
- ❖ Existing Travelling grate boiler replaced with AFBC boiler technology improving the overall boiler efficiency to approximate 84%, resulting into saving of coal and avoiding emission of GHG(Co2).
- ❖ Existing Vacuum pump & process pump replaced with New Energy efficient Vacuum pump & process pump.
- ❖ Existing ordinary MCC/Starter replaced with VFD (Variable frequency Drive) as per process requirement.
- ❖ Earlier manually system process is now controlled with automatic DCS & QCS system which finally improves the quality & quantity of our product, also reduce the down time and energy consumption which finally improve process efficiency & energy efficiency of the system and an effort to achieve climate change goal.
- ❖ Existing conventional lighting is being replaced with the LED Lighting which will save more than 70% of energy.
- ❖ An improved & new Effluent treatment plant for zero waste discharge and meeting environmental norms.

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.

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 Vigilance department is presently headed by Chief Vigilance officer and assisted by Manager(Vigilance). The vigilance department lays considerable emphasis on preventive vigilance. As per the instruction of the central vigilance commission (CVC) ,vigilance awareness week (VAW) was observed from 30th Oct- 2023 to 5th Nov-2023 in the NEPA LTD on the theme of " Say no to the corruption ; commit to the Nation". Various activities were organized during the week.

Vigilance department deals with complaints against the below Board Level Employees, acts as an interface with CVC, CBI and CVO of the MHI to streamline flow of information in respect of vigilance matters. The agreed list and ODI list are prepared, Vigilance clearance are granted and quarterly progressed and performance reports are submitted to Central Vigilance Commission (CVC)".

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) Draft 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 2024 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:**

Statutory Auditor: M/s. A I Kothari & Associates, Chartered Accountants, Jalgoan were appointed as Statutory Auditors of the Company for the financial year 2023-24 vide CA.V/COY/CENTRAL GOVERNMENT,NEPA (1)/1465 dated 22.09.2023 by the Comptroller and Auditor General of India, Govt. of India, under Section 139 of the Companies Act, 2013.

Internal Auditor: M/s PC Chhajer & Co, Chartered Accountant was appointed to work as an internal auditor of the Company in accordance with the provisions of the Companies Act, 2013 during the year under review.

Secretarial Auditor: Pursuant to the provisions of the Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed **IG & Associates**, a Practicing Company Secretary to undertake the secretarial audit of the Company for the financial year 2023-24.

Cost Auditor: M/s Chatterjee Gazi & Associates, Cost Accountant was appointed to work as an cost auditor of the Company in accordance with the provisions of the Companies Act, 2013 during the year under review.

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' Report

32. **Detail of Fraud as per Auditors Report:**

There is no fraud in the Company during the F.Y. ended 31st March,2024 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,2024.

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. **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.

36. Secretarial Audit Report:

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.

37. 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.

38. Material Changes and Commitments, if Any, Affecting Financial Position of the Company

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.

39. 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.

40. 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.

41. 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 2023 are along with management reply given in Annual Report.

42. Board meetings

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

S. No.	1	2	3	4
Date	20-04-2023	28-08-2023	16.10.2023	09.02.2024
No. of Directors Present	4	5	5	5

43. Audit Committee

The Audit Committee held Four meetings during the year.

S. No.	1	2	3	4
Date	20-04-2023	28-08-2023	16.10.2023	09.02.2024
No. of Members Present	3	3	3	3

No Stakeholder relationship committee meeting held during the year.

44. Composition of Board of Directors & KMP

Composition of Board is as follow

Sr. no	Name	Particular	Changes During the Year
1	Dr. Renuka Mishra	Part Time Official Director w.e.f. 29.06.2022	Tenure of Dr. Renuka Mishra as Part time Official Director at Nepa Ltd Completed on 12.04.2023
2.	Ms. Mukta Shekhar	Part Time Official Director w.e.f. 12.04.2023	Ms. Mukta Shekhar appointed as Part time Official Director at Nepa Ltd w.e.f. 12.04.2023
3.	Cmdr Saurav Deb	Chairman Cum Managing Director W.e.f. 01.01.2021	Cmdr Saurav Deb resigned as Chairman cum Managing Director at Nepa Ltd and his tenure was Completed on 26.03.2024
4.	Shri Rakesh Kumar Chokhani	Chairman Cum Managing Director W.e.f. 26.03.2024	Shri Rakesh Kumar Chokhani appointed as Chairman cum Managing Director at Nepa Ltd on 26.03.2024
5.	Shri P.K Naik	Director Finance w.e.f. 02.05.2019	Shri P.K. Naik appointed as Director Finance (Add. Charge) w.e.f.02.05.2019 with further extension of one year. from 02.05.2023
6.	Shri Milind Sharadchandra Kanade	Independent Director w.e.f. 05.06.2023	Shri Milind Sharadchandra Kanade appointed as Independent Director at Nepa Ltd w.e.f. 05.06.2023
7.	Shri Atul Kumar Mishra	Part Time Official Director w.e.f. 03.03.2023 confirmation from Gol received on 05.06.2023	Shri Atul Kumar Mishra appointed as Part time Official Director at Nepa Ltd w.e.f 03.03.2023, confirmation from Gol received on 05.06.2023

Details of KMP is as follow

Sr. No.	Name	Particular	Changes During the Year
01	Shri C.N. Verma	CFO w.e.f. 28.06.2023	Shri C.N. Verma appointed as CFO at Nepa Ltd w.e.f. 28.06.2023 till 15.01.2024
02	Shri Vikas Reddy	CFO w.e.f. 15.01.2024	Shri Vikas Reddy appointed as CFO at Nepa Ltd w.e.f. 15.01.2024
03	Smt. Purnima Parashar	Company Secretary w.e.f. 20.03.2019	Smt. Purnima Parashar resigned as Company Secretary at Nepa Ltd her tenure was completed on 15.01.2024
04	Smt. Nidhi Mishra	Company Secretary w.e.f. 15.01.2024	Smt. Nidhi Mishra appointed as Company Secretary at Nepa Ltd w.e.f. 15.01.2024

45. Status of marketability of Newsprint and WPP.

Overview of Indian Paper Newsprint & Writing Printing Paper Industry and future Outlook for Nepa.

Indian paper and pulp market

Revenue in the Print Newspapers & Magazines market market in India is forecasted to reach US\$2.95bn in 2024. The revenue is anticipated to demonstrate an annual growth rate (CAGR 2024-2029) of 1.70%, leading to an estimated market volume of US\$3.21bn by 2029.

What is the future of newspaper industry in India?

Now in an industry worth Rs 30,000 crore, 84 percent is a huge revenue; and this just goes to show that the future of vernacular newspapers will remain extremely positive in India at least for the next few years to come. And the growth in the newspaper industry will be driven by vernacular and regional newspapers.

What is the future growth of paper industry in India?

The Indian paper and paperboard packaging market is projected to grow at a CAGR of 6.6 per cent until 2027. The industry witnessed a rise in sales volumes, higher production, and a remarkable 45 per cent growth in sales revenues in FY23.

What is the future of paper production?

Overall, the future of paper manufacturing is likely to be shaped by a range of factors, including sustainability, digitalization, technology, and changing consumer preferences. While the industry will continue to face challenges, it is also likely to continue to evolve and adapt to meet the changing needs of society.

Will print media survive in India?

According to FICCI-EY report, contrary to the global trend, print media continued to stay alive in India, with advertising revenues growing by 4% in 2023.

Newsprint Segment-

The newsprint segment comprises of ~15% of the Indian paper industry and has grown at a CAGR of 3.5% during FY08-17 to 2.6 million MT, on the back of improving literacy and increasing circulation of vernacular dailies. The prospect of newsprint segment primarily depends on its consumption by print media industry.

Writing paper Segment-

Data Bridge Market Research analyses that the writing and printing and specialty paper market was valued at USD 2660.00 million in 2021 and is expected to reach USD 4502.48 million by 2029, registering a CAGR of 6.80 % during the forecast period of 2022 to 2029.

Future Outlook for Nepa Ltd:-

Nepa is having the potential to acquire the large portion of newsprint segments of central & west India. Presently Nepa is having an installed capacity of 1 lakh MT of production of good quality newsprints and by achieving maximum capacity utilisation and cost optimization. Nepa limited can become self-sustainable public sector and contribute in the Make in India in paper manufacturing sector. Nepa can also explore the feasibility of product diversification from Newsprint to Writing & Printing paper as well as Kraft paper.

46. Maintenance of Cost Records

The specified accounts have been made and maintained.

47. 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.

48. 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 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 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.

49. Capital Structure

The authorized and paid-up capital of the company is Rs. 800 crores and Rs. 694.32 crores respectively. During the year allotment of Equity Share Capital of Rs. 78.41 Crores has been done against the additional fund sanctioned by GoI for RMDP.

50. E-Procurement/Integrity Pact

The e-procurement facility has been in place in the organization. M/s. NIC (National Informatics Center), New Delhi is the service provider for e-procurement portal. E-tenders are being invited through Central public procurement/Gem portal. The Integrity Pact has been implemented. The IEM (Independent External Monitors) has been appointed to oversee the implementation of Integrity Pact, for all tenders above Rs. 2 crore.

51. Remuneration Policy

In Nepa Limited, pay and other benefits for executives are based on the Presidential Directives issued by the Ministry of Heavy Industry and Public Enterprises, Government of India. The last pay revision effective from 01/01/1997 was done in accordance with Ministry's OM No. 7(8)/2009-PE VII dated 25.09.2012 and In Nepa Limited it is implemented on 29.03.2013. For Pay Revision of Board Level and below Board Level Executives and Non-Unionised Supervisors of CPSEs MHI has issued presidential directives to implement pay revision. But implementation of pay revision notionally effective from 01.01.2007 & 01.01.2017 is still pending.

52. Explanation or Comments on Qualification, Reservation or Adverse Remarks or Disclaimer made by the Auditors & the PCS in their Reports.

Management's reply to the Statutory Audit Report and Secretarial Audit Report are part of Directors' Report.

53. Digitalization, Links To Company Website, ERP, Video Conferencing, Bill Tracking Etc.

Digitalization at Nepa: In line with the "Digital India" initiative of the Government of India and to enhance transparency, improve efficiency of the Company's operations, several key initiatives have been implemented in the last few years which include e-Procurement for Works, Goods and Services, ERP, to name a few. The company communicates with its shareholders through its Annual Report, General Meeting and disclosure through Website which can be found at Nepa's official website: www.nepamills.nic.in Information and latest updates and announcements made by the company can be accessed at Company's Website www.nepamills.nic.in including the Company profile/Organizational History of Nepa, Vision & Mission, Annual Reports, Messages from Management, latest Tenders, Photo Gallery, Plants, etc.]

Video Conferencing: Video Conferencing is used in Nepa for day-to-day functioning, monitoring of activities, Reviewing Performance of the Plant/Departments, conducting of Board Meetings, Training to Employees etc. Video Conferencing has been crucial factor in boosting productivity, saving time, reducing travel expenses.

54. Implementation of RTI Act, 2005

The provisions of the Right to Information Act, 2005 are strictly complied with, in your Corporation. In line with the provisions of the RTI Act, 2005, a Central Public Information Officer (CPIO) and First Appellate Authority (FAA) have been designated. The information sought for is supplied within stipulated time.

55. Training & Development

Today's business environment is highly unpredictable. In order to thrive in this environment, continuous training and development helps employees' transition to different roles and responsibilities in any industry. As part of Human Resource Development, the company has always fostered a culture of continuous training and development across levels and HR professionals of the Company have shaped work places that empower individuals to thrive, leading to both personal upliftment and organizational prosperity. During the FY 2023-24, various online/ offline trainings were imparted to employees to hone their skills. The company has also nominates employees throughout the year for external training as per the changing business environment and need.

Employees are also given opportunities to attend seminars and conferences in their respective functional areas of work. Apart from the day to day trainings, Company has organized Knowledge Sharing Sessions where in employees across units and offices participated. These sessions enhance collective knowledge and employees can gain access to valuable information and deliver better productivity.

56. Acknowledgement

The Board acknowledge with deep sense of appreciation for co-operation and continuous support received from the Ministry of Heavy Industries, 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 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

Rakesh Kumar Chokhani
Chairman-cum-Managing Director
(Addl. Charge)
DIN: 10590173

Date: 07.08.2024
Place: New Delhi

ANNEXURE-IPosition regarding employment of Scheduled Castes/Scheduled Tribes, Ex-Servicemen/OBC etc. as on 31.03.2024**1. Representation of SCs/STs/OBCs**

Group	Total No. of employee	No. of SC	%	No. of ST	%	No. of OBC	%
A.	42	3	7.14	0	0.00	12	28.57
B.	104	7	6.73	3	2.88	14	13.46
C.	-	-	-	-	-	-	-
D.	5	5	100	-	-	-	-

2. Representation of Ex-servicemen

Group	Total No. of Employees	Disabled Ex-Servicemen	%	Dependent of Ex-Servicemen Killed In Action	%	Other Ex-Servicemen	%
A.	42	-	-	-	-	-	2.17
B.	104	-	-	-	-	-	-
C.	-	-	-	-	-	-	-
D.	5	-	-	-	-	-	-

3. Representation of Persons with Disabilities (PwD)

Group	Total No. Of Employees	No. Of Physically Challenged	Category Of Physically Challenged
A	42	0	-
B	104	0	-
C&D	5	0	-

ANNEXURE-II**Representation of Female Employees as on 31.03.2024**

	PAY SCALE	NO. OF EMPLOYEES	NO. OF FEMALE EMPLOYEES	%
A	EXECUTIVES			
	22500–27300	0	0	0
	20500–25000	0	0	0
	18500–23900	3	0	0
	17500–22300	1	0	0
	16000–20800	2	0	0
	14500–18700	11	0	0
	13000–18250	13	1	7.69
	10750–16750	11	0	0
	8600–14600	1	0	0
	6550–11350	14	2	14.29
	TOTAL A	56	3	5.36
B	NON-UNIONISED SUPERVISOR			
	6000–9040	21	2	9.52
	TOTAL B	22	2	9.52
C	WORKMEN			
	5900–8845	11	0	0
	5800–8760	27	1	3.70
	5650–8680	36	2	5.56
	5350–8350	0	0	0
	5250–8060	0	0	0
	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	74	3	4.05
	GRAND TOTAL (A+B+C)	151	08	5.30

ANNEXURE-III

FORM 'A'

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

Particulars	Unit	2023-24	2022-23
I. NEWSPRINT and Writing & Printing Paper			
Power and Fuel Consumption			
1. Electricity:			
a) Purchased Units (MPEB Grid)	KWH	9835450	8657250
Total amount	Rs. Lacs	900.98	953.30
Cost / Unit	Rs.	10.91	11.01
b) Own Generation Units			
i) Power House	KWH	30135100	11765400
ii) DG Set	KWH	1360	350
c) Total Unit (a+b)		39971910	20423000
2. Coal used in Powerhouse:			
Quantity	MT	49929.4	19573.87
Total Cost	Rs. lacs	58.78	58.78
Average Rate	Rs./MT	4882	4882
3. Fuel Oil: Diesel			
Quantity	KL	2.05	1.65
Total Cost	Rs. lacs	99750	99750
Average Rate	Rs./KL	95000	95000
4. Other/Internal Generation		NIL	NIL
Consumption per unit of production			
Newsprint Production	MT	21607	6526
Writing & Printing Production	MT	1749	Nil
Electricity (own generated)	KWH/T	1290.58	1802.85
Coal/T of Paper	Kg/T	2.13	2.99
Fuel Oil	Lit/T	NIL	NIL

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

A) RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES

Specific areas in which R&D to be carried out	a. To Improve quality of end products with least min. chemicals & modern De-inking Cell for manufacturing paper of higher brightness.
Benefits derived as a result of	a. Use of recycled based raw material to improve the cost efficiency, Environment friendly technology. b. Elemental Chlorine free bleaching using Sodium Hydro sulphite and Hydrogen Peroxide.
FuturePlan of Action	a. 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 renovated Paper machine, to achieve desired properties of finished paper products (Writing & Printing and Newsprint) post RMDP, to achieve best quality of product.

		b. To assist in to meet Zero liquid Discharge in ET Plant	
	Expenditure of R&D	a) Capital	32.00 Lakh
		b) Recurring	NIL Lakh
		c) Total	32.00 Lakh

B)	Technology Absorption Adaptation and Innovation	The mill will produce improved newsprint and writing & Printing grade paper under RMDP. Thus, productivity as well as product quality will be as per the standard.
C)	Foreign Exchange Earnings and Outgo	<p>Activities relating to exports Initiatives taken to increase Exports, development of new Export market for products & Services, and export plans.</p> <p>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.</p>
D)	Total foreign exchange used & earned	<p>i) Earnings - NIL</p> <p>ii) Used (Procurement of OIN) - NIL</p>

For & on behalf of Board

Date: 07.08.2024

Place: New Delhi

RAKESH KUMAR CHOKHANI
Chairman-cum-Managing Director
(Addl. Charge)
DIN: 10590173

PRADEEP KUMAR NAIK
Director (Finance)
(Addl. Charge)
DIN: 08676709

ANNEXURE IV

CORPORATE GOVERNANCE

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

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

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

1. COMPANY'S PHILOSOPHY

Nepa Limited's philosophy on Corporate Governance endeavors 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 MHI.

In terms of Articles of the Company, the number of directors of the company shall not be less than 3.

3. COMPOSITION OF THE BOARD

As on 31st March 2024, The Board of Directors of Nepa Limited comprise of 5 Directors, out of which 2 are whole time Directors including Chairman cum Managing Director, one Whole Time Director – D (Finance), Two (2) Govt. nominees Directors (One being the Government of India nominee and the other being Government of M.P. nominee) and one Independent Director.

BOARD MEETINGS:

During the year 2023-24, 4 Board Meetings were held on, 20th April 2023, 28th August 2023, 16th October 2023 & 09th February 2024.

The details of attendance of Directors for the year 2023-24 at the Board Meetings and in AGM are given below: -

Name of Director	Category	Board Meetings held	Board Meetings entitle to attend	Board Meetings Attended	Attendance in previous AGM
Cmde Saurav Deb	Chairman cum Managing Director	4	4	4	YES
Shri Rakesh Kumar Chokhani	Chairman cum Managing Director	4	0	0	Not Applicable
Dr. Renuka Mishra	Part-time Official Director	4	0	0	Not Applicable
Ms Mukta Shekhar	Part-time Official Director	4	4	4	
Shri. P.K. Naik	Director (Finance)	4	4	4	YES
Shri Atul Kumar Mishra	Part-time Official Director	4	4	4	No
Shri Milind Sharadchandra Kanade	Independent Director	4	3	3	YES

Details with particulars of their Directorships and Chairpersonship/Membership of Board Committees in other Public Companies, in which they are Directors showing the position as on 31st March 2024 are given below: -

Sr. No.	Name of Directors	Directorship in other Public Companies	Committee positions held	
1.	¹ Cmde Saurav Deb	NIL	-	-
2.	² Shri Rakesh Kumar Chokhani	NIL	-	-
3.	³ Dr. Renuka Mishra	1.Cement Corporation of India (CCI) 2.Rajasthan Electronics & Instrument Ltd. (REIL) 3. Engineering Projects (India) Ltd.	-	-
4.	⁴ Ms. Mukta Shekhar	1. Hmt Machine Tools Limited 2. H.M.T. (International) Limited 3. Hmt Limited 4. Hmt Watches Limited 5. Bridge & Roof Co (India) Ltd 6. Cement Corporation Of India Limited 7. Rajasthan Electronics And	-	-

		Instruments Ltd 8. Engineering Projects (India) Limited		
5.	⁵ Milind Sharadchandra Kanade	NIL	-	-
6.	⁶ Shri Atul Kumar Mishra	M.P. State Mining Corporation Limited		
7.	⁷ Shri. P.K. Naik	Currently designated as AGM (Finance) BHEL, Bhopal	-	-

¹ Cmde Saurav Deb resigned as Chairman cum Managing Director at Nepa Ltd and his tenure was Completed on 26.03.2024.

² Shri Rakesh Kumar Chokhani appointed as Chairman cum Managing Director at Nepa Ltd on 26.03.2024.

³ Tenure of Dr. Renuka Mishra as Part-time Official Director at Nepa Ltd Completed on 12.04.2023.

⁴ Ms. Mukta Shekhar appointed as Part time Official Director at Nepa Ltd w.e.f. 12.04.2023.

⁵ Shri Milind Sharadchandra Kanade appointed as Independent Director at Nepa Ltd w.e.f. 05.06.2023.

⁶ Shri Atul Kumar Mishra appointed as Part time Official Director at Nepa Ltd w.e.f 03.03.2023, confirmation from Gol received on 05.06.2023.

⁷ Shri P.K. Naik appointed as Director Finance (Add. Charge) w.e.f.02.05.2019 with further extension of one year. from 02.05.2023.

4. COMMITTEES OF THE BOARD OF DIRECTORS:

The Board has constituted following Committee of the Board:

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

AUDIT COMMITTEE COMPOSITION

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

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

1.	Shri Milind Sharadchandra Kanade	Chairperson
2.	Ms. Mukta Shekhar	Member
3.	Shri Atul Kumar Mishra	Member
4.	Shri P.K. Naik	Member

1. Ms. Mukta Shekhar as Member From 20.04.2023 till 28.08.2023.
2. Shri Atul Kumar Mishra as Member From 20.04.2023 (Chairperson from 20.04.2023 till 28.08.2023)
3. Shri Milind Sharadchandra Kanade as Chairperson From 28.08.2023.
4. Shri P.K. Naik as Member from 25.09.2020.

During the F.Y. 2023-24, four meeting have been held 20th April 2023, 28th August 2023, 16th October 2023 & 09th February 2024.

Details of the member's attendance are as follows:

Name of Director	Category	No. of Meeting held	Meetings entitle to attend	No. of Meetings attended
Shri Milind Sharadchandra Kanade	Independent Director (Chairman)	4	2	2
Ms. Mukta Shekhar	Nominee Director (Member)	4	2	2
Shri Atul Kumar Mishra	Nominee Director (Member)	4	4	4
Shri P.K. Naik	Director Finance (Member)	4	4	4

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

The composition of the Stakeholders Relationship Committee is as under:

1.	Shri Milind Sharadchandra Kanade	Chairperson
2.	Cmde Saurav Deb	Member
3.	Ms. Mukta Shekhar	Member
4.	Shri Atul Kumar Mishra	Member
5.	Shri P.K. Naik	Member

1. Cmde Saurav Deb as Member from 08.09.2021
2. Ms. Mukta Shekhar as Member From 20.04.2023 till 28.08.2023.
3. Shri Atul Kumar Mishra as Member From 20.04.2023 (Chairperson from 20.04.2023 till 28.08.2023)
4. Shri Milind Sharadchandra Kanade as Chairperson From 28.08.2023.
5. Shri P.K. Naik as Member from 20.04.2023.

No. of Meeting Held During the F.Y. 2023-24 is **Nil**

NOMINATION AND REMUNERATION COMMITTEE

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

1.	Shri Milind Sharadchandra Kanade	Chairperson
2.	Ms. Mukta Shekhar	Member
3.	Shri Atul Kumar Mishra	Member

4.	Shri P.K. Naik	Member
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1. Kamlawati Singh as Chairperson From 23.03.2022 till 20.04.2023
2. Dr. Renuka Mishra as Member From 06.09.2022 till 20.04.2023.
3. Ms. Mukta Shekhar as Member From 20.04.2023 till 28.08.2023.
4. Shri Atul Kumar Mishra as Member From 20.04.2023 (Chairperson from 20.04.2023 till 28.08.2023)
5. Shri Milind Sharadchandra Kanade as Chairperson From 28.08.2023.
6. Shri P.K. Naik as Member from 25.09.2020.

During the F.Y. 2023-24 two meeting have been held on 28th August 2023 & 16th October 2023. Details of the member's attendance are as follows:

Name of Director	Category	No. of Meeting held	Meetings entitle to attend	No. of Meetings attended
Shri Milind Sharadchandra Kanade	Independent Director (Chairman)	2	1	1
Ms. Mukta Shekhar	Nominee Director (Member)	2	1	1
Shri Atul Kumar Mishra	Nominee Director (Member)	2	2	2
Shri P.K. Naik	Director Finance (Member)	2	2	2

5. General Body meetings:

Financial year	Date	Time	Venue	Special Resolution passed
2019-20	30 th December 2020	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	Yes
2020-21	30 th December 2021 adjourn meeting held on 14 th March 2022	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	No
2021-22	21 st December 2022	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	Yes
2022-23	24th November 2023	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	No

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

Financial year	Date and time	Venue	Special Resolution passed
2019-20	30 th December 2020, at 4: 00 P.M.	Nepa Ltd Registered Office, Nepanagar – 450221 (M.P.)	1. Deletion of clause 4 of the Articles of Association of the Company by substituting new clause 2. Deletion of clause V of the Memorandum of Association of the Company by substituting new Clause
2020-21	30th December 2021, 4:00 P.M adjourn meeting held on 14th March 2022, 4:00 P.M	Nepa Ltd Registered Office, Nepanagar – 450221 (M.P.)	NA
2021-22	21 st December 2022, 4:00 P.M.	Nepa Ltd Registered Office, Nepanagar – 450221 (M.P.)	1. Adoption of new set of Articles of Association of the Company. 2. Issue and allotment of Equity Shares.

Annual General Meeting for the financial year 2023-24 : -

Date and Day	Saturday, 26 th October 2024
Mode	Online Mode
Time	5:00 PM
Venue	Nepa Ltd Registered Office, Nepanagar – 450221 (M.P.)

6. Disclosures:

- (i) Details of remuneration paid to Functional Directors during the Financial Year 2023- 24 are under:

(Amount in Rs.)

Sr. No.	Particulars	CMD Cmde Saurav Deb
a.	Salary & Allowances	36,43,506
b.	Contribution to PF	2,11,158
c.	Other Benefits	-
	Total	3,854,664

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. 2023-24 are Rs. 19,000/-

(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:

Attachment order has been received from EPFO on 26.10.2021 for recovery of Penalty & Interest against delayed Deposit of PF Challan.

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

No whistle compliant received by the company during the year & No person denied access to Audit Committee

7. Means of Communication:

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

8. Code of Conduct:

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

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

For & on behalf of Board

Date: 07.08.2024
Place: New Delhi

RAKESH KUMAR CHOKHANI
Chairman-cum-Managing Director
(Addl. Charge)
DIN: 10590173

PRADEEP KUMAR NAIK
Director (Finance)
(Addl. Charge)
DIN: 08676709

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**

B.Sc, FCS, MBA

CORPORATE GOVERNANCE CERTIFICATE

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

I, have examined the compliance of conditions of Corporate Governance by M/s NEPA Ltd (CIN: U21012MP1947GOI000636) ("the company") for the year ended 31st March, 2024, as stipulated in Guidelines on Corporate Governance ("the guidelines") for Central Public Sector Enterprises (CPEs) issued, by the Department of Public Enterprises (DPE), Government of India ("DPE Guidelines").

1. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination has been limited to review of procedures and implementation thereof, adopted by the Company, for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company. It is limited purpose certificate issued as per the DPE guidelines.
2. In my opinion and the best of my information and according to the explanation given to me, I certify that during the financial year ended 31st March, 2024, the Company has complied with the applicable conditions of Corporate Governance as stipulated in DPE Guidelines, except the provisions pertaining to the following.
 - i. Composition of Board of Directors.
 - ii. Composition of Audit Committee.
 - iii. Composition of Nomination and Remuneration Committee.
 - iv. Quorum of the Meeting of Audit Committee.
 - v. The gap between two Board Meetings is more than three months in a financial year 2023-2024.
 - vi. Preparation and publications of quarterly results.
3. I further state that such compliance is neither an assurance as to the further viability of the company nor the efficiency or effectiveness with which the Management has conducted the affairs of the company.

FOR IG & ASSOCIATES**COMPANY SECRETARIES****F.R. NO.: I201310000000****ISHA GARG****(PROPRIETOR)****M. NO: FCS 9955****PEER REVIEW NO.: 914/2020****UDIN: F009955F001095886****PLACE: INDORE****DATE : 31.08.2024**

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**B.Sc, FCS, MBA**

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2024
[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]

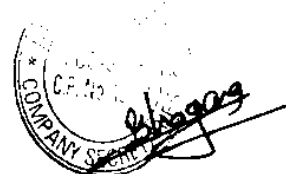
To,
The Members
M/s NEPA Ltd
Registered Office: Nepa Nagar,
Dist: Burhanpur - 450221 (MP)
CIN: U21012MP1947GOI000636

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

Based on my 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, I hereby report that in my opinion the company has during the audit period covering the financial year ended on 31st March, 2024 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under read with modifications, exemptions and clarifications thereto;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; the Company is being an unlisted Company during the Audit period.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; Not applicable to the Company as there was no reportable event during the financial year under review.

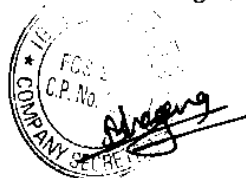


- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act 1992 ('SEBI Act):
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended from time to time. Not Applicable.
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time. Not Applicable.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended from time to time. Not Applicable.
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit and Sweet Equity) Regulation, 2021. Not Applicable.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. Not Applicable.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. Not Applicable.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021. Not Applicable.
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. Not Applicable.
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Not Applicable.
- (vi) Other applicable laws specifically to the Company;
- a) Factories Act, 1948;
 - b) Contract Labour (Regulation & Abolition) Act;
 - c) Child Labour (Prohibition & Regulation) Act, 1986;
 - d) Apprentices Act,
 - e) Environment Protection Act, 1986;
 - f) Fatal Accident Act,
 - g) Industrial Dispute Act,
 - h) Industrial Employment Standing Order Act,
 - i) Trade Union Act,
 - j) Water & Air Control of Pollution Act, 1974;

The company has confirmed the compliance of applicable laws specifically to the Company.

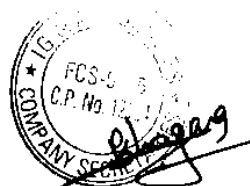
I, have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standard issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchanges, if applicable. Not Applicable.



During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations.

1. The Board of Directors of the Company does not have an optimum combination of functional, Nominee and Independent Directors during the financial year 2023-2024.
2. The Company has constituted Audit Committee but the composition of the Committee is not optimum as per the Companies Act, 2013 and rules made there under and the Guidelines of 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, therefore the quorum of the Audit Committee is not proper.
3. The Company has constituted Nomination and Remuneration Committee but the composition of the Committee is not optimum as per the Companies Act, 2013 and Rules made there under and the Guidelines of 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, therefore the quorum of the Nomination and Remuneration Committee is not proper.
4. The gap between two board meetings is more than three months in a financial year 2023-2024 as mentioned in the Guidelines of 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.
5. No meeting of independent directors was held during the fiscal year 2023-2024 because MHI only appointed one independent director to the company's board of directors, and meetings could not be called with just one person present. As a result, no meeting of independent directors was held during the year. Company periodically notified MHI of the vacancy for independent directors on their board.
6. The Company has obtained disclosure of interest in Form MBP-1 from Company Secretary and Chief Financial Officer but the disclosure of interest in Form MBP-1 of Company Secretary and Chief Financial Officer are not taken on note in Board Meeting as per provisions of Section 184 (1) and 189(2) of the Companies Act, 2013 and rule made there under during the financial year 2023-2024.
7. The Company has complied with the provisions of Companies Act, 2013 in respect of timely filing of ROC e-forms/returns except few forms.



8. Joining of Mrs. Nidhi Mishra as Company Secretary of the Company.

Mrs. Nidhi Mishra vide e-mail dated 26.09.2023 had given her confirmation for acceptance of offer letter and also confirm to join the Company on 04.10.2023 but Mrs. Nidhi Mishra, joined the Company as Company Secretary on 15.01.2024. However Mrs. Nidhi Mishra generated e-CSIN EA053762F000026130 on 19.06.2024.

There is a violation of ICSI e-CSIN Guidelines and violation of Company Secretaries Act, 1980 read with First and Second Schedule to the Company Secretaries Act, 1980.

However management considers the delay due to her extreme medical situation.

I further report that;

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

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes to 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 decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board as the case may be.

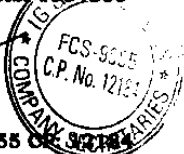
I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

The Company has not complied some of the provisions of the Guidelines of 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.

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

Shagun
**ISHAGARG
(PROPRIETOR)
M. NO: FCS 9955 OF 31/08/24
PEER REVIEW NO.: 9147/2020
UDIN: F009955F001095831
PLACE: INDORE
DATE: 31.08.2024**



Note: This report is to be read with our letter dated 31.08.2024 which is annex as (Annexure-I) and forms and integral part of this report.

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**

B.Sc, FCS, MBA


Annexure - I

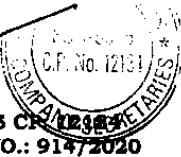
To,
The Members
NEPA Ltd
Registered Office: Nepa Nagar,
Dist: Burhanpur - 450221 (MP)
CIN: U21012MP1947GOI000636

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

1. Maintenance of Secretarial Records 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. I 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. I believe that the processes and practices followed provide a reasonable basis for forming our opinion.
3. I have not verified the correctness and appropriateness of treatment of various tax liabilities and payment thereof compliance of the applicable IND-AS, financial records and Books of Accounts of the company as the same is subject to the Statutory Audit being performed by the Independent Auditors.
4. Wherever required, we have obtained the management representation/certificates/data Information's about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.
7. I, have relied on electronic and soft copies of documents as produced for verification of compliances of various laws.

FOR I G & ASSOCIATES
COMPANY SECRETARIES
F.R. NO.: I2013MP1054000


ISHA GARG
(PROPRIETOR)
M. NO: FCS 9955 CP/12384
PEER REVIEW NO.: 914/2020
UDIN: FO09955FO01095831
PLACE: INDORE
DATE: 31.08.2024



ANNEXURE V**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****Introduction:**

During 2022-24 Nepa has witnessed huge price variations in the market for the input raw materials in the post covid arena. The overall RMDP has covered only 40% of the plant and machineries the rest of the plants are remined old. Nepa had to use internal resources to complete any balance leftover work of the contractors.

However, the machines have achieved a stability of run after 10 to 12 months. The company was also facing the shortage of working capital to run the operations. The above issues have affected the continuous run of the plant. Nepa Continue to face the scarcity of the skilled manpower availability for smooth operation of the plant. The management is taking utmost care by offering employment to the local population besides outsourcing the skilled people from open market. The management is also trying to fix up the contractors, vendors and suppliers through GeM Portal as directed by the Govt to come out from the manpower issues.

Industry Scenario:

Broadly, the industry is classified into four main segments - Namely, Writing and Printing Paper, Industrial Packaging paper, speciality paper and newsprint. India holds 15th rank among paper producing countries in the world with a total installed capacity of 16 million tonnes. The demand is estimated at 17 million tonnes. The per capita consumption of the nation is around 13 kgs against the Asian average of 26 kgs and World average of 58 kgs. India is considered as the fastest growing market for paper in the world with an average annual growth of 6 %. Indian Paper Industry is highly fragmented with over 750 paper mills of varying sizes spread across the Country. Only 50 mills are of a capacity of 50,000 TPA or more. The overall capacity utilization is estimated at 80-90 %. However, the spread of Covid-19 Pandemic has affected the growth of paper market, the imported and indigenious paper demand has dropped down to 60%. The market is on a road of recovery slowly growing the momentum in recent times.

Indian Paper Industry Outlook:

Over the next five years, the domestic industry is projected to grow at 6-7 % CAGR to reach 25 million tonnes by 2027. The total production of newsprint in India is around 2.0 million tpa while the demand is around 2.7 million tonnes. The industry is growing at a rate of 2%.

There was a huge demand supply imbalance created in the post pandemic arena. Fluctuations in the pricing of certain vital commodities for paper making sky rocketed in the recent times making the manufacturing cost very high. Off late, the demand and supply has reached to equilibrium, and the prices of essential raw material have attained some stability, Still the market for the paper is volatile and continues to thrive on the vibrant rural market.

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. 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. Neighboring 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 indigenious paper industry as well.

Though, Newsprint segment is expected to grow, not on expected lines vis-à-vis F.Y.2022-23. However, the positive sign of growth in India will continue and globally trends will be inversely proportion to India. To be in brief, India will continue to witness the growth in all segments of paper once the detrimental effect on Indian and Global recession for Covid-19 is ascertainable and restoration of economic activity through macro and micro regulatory.

The paper demand in Indian sub-continent is rising on Year-on-Year and major demand of paper i.e. approx. 60%, is met through domestic production. Packaging and specialty 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% from 45% in 2017. Reasons for this decrease in paper consumption are rise in digitization and greater penetration of online news applications and news feeds. Newsprint and WPP consumption ranges 2-2.9 and 5.5 Million tons respectively.

The paper industry is facing a tougher time and a constant and innovative approach will result in a sustained growth. Since the demand for the paper in India is still growing high & high there will be a better future for paper industry. The unstable conditions of the global newsprint market have not affected market demand except for the price increase in the raw material. The withdrawal of export from China, has created some space in the market which is expected to result in flourishing of local market.

Newsprint Segment: -

Newsprint papers have witnessed the slowest growth in last few years compared to other paper segments except some unexpected growth in 2022. There has been slow growth in newspaper dailies due to the rise of digital applications and electronic media platforms. Consumer generally tracks national news through TV and the emerging trend of media reaching to the urban area, the increase in the literacy rate, has seen the spot in growth of Newsprint consumption in the rural part of India. Internally, the vernacular, startup edition are being found increased in the recent times. Regional-local news through newspapers. But with the per capita income increase, massive urbanization 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 of 4% and expected to continue in momentum. Key segments which are heavy users of WPP are the service industry, publishing houses and education sector. 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 centers of higher education, double digit growth in FMCG sector during FY 2021-22 approx. 27.9%, and e-Commerce sector expected to grow at a CAGR 27% up to FY 2026.

Export Scenario of WPP and other packaging grade paper:

Given the current situation, there will be a paper export demand slowdown over next quarter. Weak domestic demand in key economies such as China and the USA, along with the introduction of additional production capacities, has intensified competitive pressures in the export market. The combination of high shipping costs and trade agreements presenting significant hurdles in exporting, resulting in reduced sales volume and margins compared to previous years.

The current market conditions are characterized by sluggish demand, oversupply, and the availability of cheaper imports across various segments such as writing printing, packaging, newsprint and specialty products. These factors are contributing to a downward pressure on prices in the domestic

market. The decreased demand in the finished paper has prompted paper mills to lower their rates, leading to financial strain throughout the supply chain. This challenging situation appears likely to persist in the near future.

Paper Import Growth in various segments: reason and future anticipation:

The Indian paper industry has witnessed a notable rise in imports, particularly in the uncoated writing and printing segment and speciality grades. With major economies like the US and Europe facing economic downturns, international mills are turning to markets such as India. Trade dynamics and agreements from countries like Indonesia, Korea, Thailand is making import more attractive and prices defiantly a key driver for import of goods. Customers continue to prioritize quality, they also seek an enhanced experience at a reasonable price, particularly in light of the current inflationary conditions.

Input Cost Analysis and pulp price scenario:

Currently it seems like the pulp industry is experiencing a period of oversupply, leading to inventory buildup and the closure of some production facilities. However, there are plans for new production units to come operational in the coming years, which will further increase the global supply of market pulp. The oversupply situation is expected to persist until there is a significant increase in demand, particularly from key economies like the US and China

Imported Waste Paper scenario:

The beginning of 2024 hasn't been favourable for India in recovered paper. Events such as the Red Sea complications, leading to increased freight costs, and delayed deliveries due to extended lead times have shifted the focus to the balance between movement and price as the primary factor for waste paper imports into the Indian market. The supply from the USA is also in flux, with Openings of large-capacity mills utilizing recovered paper in the USA leading to a shortage of long fibre for export. This shortage has already driven up prices even before the Red Sea crisis, which has further exacerbated the situation. Ocean freight rates for shipments of recovered fiber from the US East Coast to India have skyrocketed by US\$400 per 20-foot container, resulting in an additional US\$20 per tonne for the material. Delivery timelines for US shipments to India have stretched to 50-65 days.

The statement mentioned that the conflict in West Asia, the war between Ukraine and Russia, and the attacks on trading vessels in the Red Sea have severely affected global supply chains, and thus the availability of newsprint. "Resultantly, the newsprint suppliers are cancelling the earlier confirmed orders of the publishers," INS said.

Costing Considerations:

The price of imported recovered fiber for India could indeed see a rise in the coming time due to various factors such as supply chain disruptions, increased demand, and currency fluctuations. However, predicting the exact price per tonne is challenging due to the dynamic nature of the market and the influence of multiple variables.

Assumptions for the price per tonne would depend on factors such as the severity and duration of the supply chain disruptions, changes in demand from other regions, government policies affecting international trade, and fluctuations in currency exchange rates. It's advisable for stakeholders in the Indian paper industry to closely monitor these factors and adjust their strategies accordingly to mitigate any potential impacts on the cost of imported recovered fiber.

Future Outlook for Nepa Ltd:

Growth in the Indian paper industry is inextricably 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 behaviors of consumers with their preferences. Demand for quality and cost-effective paper is on the increase at a fast pace.

Nepa Ltd stands at a cusp of its survival and turnaround in post Covid-19 upsurge will adversely impact the Indian economy. After the inauguration, the production has started, and a moderate production level has been achieved by Nepa despite of the shortage of skilled manpower and fluctuation in the prices of essential raw material and funds. Now with the flamboyant, present management and project leadership, and decisive lead role already undertaken by Administrative Ministry, the revived Nepa Ltd. will attend new heights by making the Balance Sheet positive.

Nepa is looking to drive on three key drivers to compete with international mills which is quality, affordability and sustainability. One important aspect for the paper industry to consider amidst these challenges is diversification. Diversifying both product offerings and supply chain sources can help mitigate risks associated with disruptions in specific markets or regions. Nepa is seriously considering the further enhancing the quality of writing & printing and make an entry into the kraft paper segment.

Due to trade restrictions, market volatility, which is affecting pricing strategies and profit margins and moreover customers are looking for alternate suppliers from different geography, Nepa will try to encash on this opportunity in the forthcoming days.

Nepa will be focussing on strategic planning of optimizing operational efficiency, exploring new markets and revenue streams, and strengthening partnerships with suppliers and customers. Furthermore, collaboration within the industry and with relevant stakeholders, including government bodies and industry associations, can facilitate knowledge sharing, advocacy for supportive policies, and collective responses to challenges.

Overall, proactive planning, strategic adaptation, and collaboration will be key for the company to navigate through the current crisis and emerge stronger in the long term.

The govt. has withdrawn the exemption of BCD and introduced 5% custom tariff on imported newsprint in 2020. Also, govt. has made it mandatory of the registration in the Paper Import Monitoring System (PIMS) for all the importers industry special economic zone/free trade and warehousing zone. These measures will help local industry to survive and cross over this critical time of market recovery after the Pandemic. Company management has left no stone unturned in resolving any of the intricate issues w.r.t supplier, contractor, fabricator, workforce etc.

For & on behalf of Board

Date: 07.08.2024

Place: New Delhi

RAKESH KUMAR CHOKHANI
Chairman-cum-Managing Director
(Addl. Charge)
DIN: 10590173

PRADEEP KUMAR NAIK
Director (Finance)
(Addl. Charge)
DIN: 08676709

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, 2024

[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:

Sr. No.	Name and Description Of main products/services	NIC Code of the Product/service	% total turnover Of the company
1	Newsprint	4801	87.12%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

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

(i)

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
	D e- m at	Physical	Total	% of Total Share	D e- m at	Physical	Total	% of Total Share	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt.	-	1204297344	1204297344	97.47	-	1204297344	1204297344	97.47	-
c) State Govt.	-	30537290	30537290	2.47	-	30537290	30537290	2.47	-
d) Bodies Corp.	-				-				-
e) Banks/FI	-				-				-
f) Any Other ...	-				-				-
Sub-total (A)(1):-	-	1234834634	1234834634	99.94	-	1234834634	1234834634	99.94	-
(2) Foreign	-				-				-
a) NRIs-Individuals	-				-				-
b) Other-Individuals	-				-				-
c) Bodies Corp.	-				-				-
d) Banks/FI	-				-				-
e) Any Other ...	-				-				-
Sub-total (A)(2):-	-				-				-
Total Shareholding of Promoters (A)=(A)(1)+(A)(2)	-	1234834634	1234834634	99.94	-	1234834634	1234834634	99.94	-
B. (1) Public Shareholding	-				-				-
a) Mutual Funds/Banks/FI	-				-				-
b) Central Govt.	-				-				-
c) State Govt.(s)	-				-				-
d) Venture Capital Funds	-				-				-
e) Insurance Companies	-				-				-
f) FIs	-				-				-
g) Foreign Venture Capital Funds	-				-				-
h) Others(Specify)	-				-				-
Sub-Total(B)(1):-	-				-				-
(2) Non-Institutions	-				-				-

a) Bodies Corp.	-				-				-
(i) Indian	-				-				-
(ii) Overseas	-				-				-
b) Individuals	-				-				-
Individual shareholders Holding Nominal Share Capital upto Rs. 1 Lakh	-	654930	654930	0.05	-	654930	654930	0.05	-
(i) Category-wise Share Holding: i) Individual shareholders Holding Nominal Share Capital in excess of Rs. 1 Lakh	-				-				-
(C) Others, Hindu Undivided Family	-				-				-
(d) NRI's	-				-				-
Sub Total(B)(2):-	-	654930	654930	0.05	-	654930	654930	0.05	-
Total Public Shareholding(B)=(B) (1)+(B)(2)	-	654930	654930	0.05	-	654930	654930	0.05	-
C. Share held by Custodian for GDRs & ADRs	-				-				-
Grand Total (A+B+C)	-	1235489564	1235489564	100	-	1235489564	1235489564	100	-

(ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	1204297344	97.47	-	1204297344	97.47	-	-
2	Governor of MP	30537290	2.47	-	30537290	2.47	-	-
	Total	1234834634	99.94	-	1234834634	99.94	-	-

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

S. No.	Name of Shareholder	Shareholding at the Beginning/end of the year		Change During The year	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the year
1.	President of India	120429 7344	97.47%	No change During the Year		1204297 344	97.47%
2.	Governor of MP	305372 90	2.47%	No change During the Year		3053729 0	2.47%

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

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

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

Sr. No.	Name of Directors and KMP (S/shri)	Shareholding at the beginning of the year			Changes During The year			Cumulative Share- holding during the	
		Date	No. of shares	% of total shares of the company	Date	Increase/ Decrease	Reason	No. of shares	% of total shares of the company
NIL									

V. INDEBTEDNESS;

Indebtedness of the Company including interest outstanding/accrued but not due for payment:
(₹. in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits*	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0	24680.00	-	24680.00
ii) Interest due but not paid	0	24,631.15	-	24,631.15
iii) Interest accrued but Not due	0	1,654.14	-	1,654.14
Total(i+ii+iii)	0	50,965.29	-	50,965.29
Change in Indebtedness during the financial year				
Addition	1650.09	-		1650.09
Reduction	-	-		-
Net Change	1650.09			1650.09
At the end of the financial year				
Principal Amount	1650.09	24680.00		26330.09
Interest due but not paid	0	30633.29		30633.29
Interest accrued but not due	0	853.44		853.44
Total (i+ii+iii)	1650.09	56166.73		57816.82

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

(₹. in lakhs)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Cmde Saurav Deb	
1	Gross Salary		
	(a) Salary as per provisions contained under section 17(1) of the Income-tax Act, 1961	38.54	38.54
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of 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)	38.54	38.54
	Ceiling as per the Act	N.A.	

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

Sr. No.	Particulars of Remuneration	Name of Directors (S/shri)	Total Amount
1.	Independent Directors	Shri Milind Sharadchandra Kanade	-
	Fee for attending board/committee meetings	19000	19000
	Commission	-	0
	Others, please specify	-	0
	Total(1)	-	0
2	Other Non-Executive Directors	Smt. Padmapriya Balakrishnan	
	Fee for attending board/	-	-
	Commission	-	-
	Others, please specify	-	-
	Total(2)	-	-
	Total(B)=(1+2)	-	-
	Total Managerial Remuneration	NA	
	Overall 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:

(₹. In Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total Amount	
		CEO	Company Secretary		CFO		
			Mrs. Purnima Parashar	Mrs. Nidhi Mishra	Shri CN Verma	Shri Vikas Reddy	
1	Gross salary		10.44	1.43	10.28	8.14	30.29
	(a)Salary as per provisions contained under section17(1) of the Income- taxAct,1961		-			-	-
	(b)Value of perquisites u/s17(2) of Income-taxAct,1961		-				-
	(c)Profits in lieu of salary under section 17(3) of Income-taxAct,1961		-				-
2	Stock Option		-				-
3	Sweat Equity		-				-
4	Commission -as % of profit -others, specify...	NI	-				-
5	Others, please specify	L	-				-
	Total(C)		10.44	1.43	10.28	8.14	30.29

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 2013	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			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



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Independent Auditors' Report

To,
The Members
NEPA Limited
Nepanagar (MP)

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

We have audited the standalone financial statements of NEPA Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit & Loss and the Statement of Cash Flow 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, 2024 and its loss, and its cash flows for the year ended on that date.

Basis for Qualified Opinion

1. Preference Share Allotment

The Company has not made allotment of preference share application money pending allotment amounting to ₹ 3000 Lakhs within the prescribed time limit as per the provisions of Section 42 of the Companies Act, 2013. This fund was specifically allotted for granting VRS to employees and the amount of ₹ 1100 Lakhs is pending to be utilized.

2. Property, Plant and Equipment

The Company dismantled various assets to set up new Plant and Machinery. According to paragraph 41 of Accounting Standard (AS) 10 - Property, Plant, and Equipment, the Company is required to de-recognize the carrying amount of assets on replacement in accordance with the de-recognition provisions. Consequently, discarded assets with a net block of ₹ 96.21 Lakhs continue to appear in the Balance Sheet under Property, Plant, and Equipment against which provision for the carrying amount is created, Pending write-off of those assets after approval from the Competent Authority. We are unable to ascertain their existence in entirety. Additionally, these discarded assets may include items that no longer exist and should have already been written off.

The Physical Verification of fixed assets was conducted by the Management of the company but the effect of the same was not given in the books of accounts. Furthermore, during our verification of additions to fixed assets for the year 2023-24, we observed that Asset Codes are not mentioned on the new assets. This lack of identification prevents us from commenting on the quantification and accuracy of the asset details.

3. Internal Financial Controls

We have observed weaknesses in internal financial controls, in the areas such as fixed asset verification, bank reconciliation statements, etc. The process of Bank reconciliation is manual and there is delay in completion of the same. Numerous entries remain open and unreconciled for an extended period, indicating potential weaknesses in the reconciliation process and cash management. Separate cheque register is also not maintained. These deficiencies highlight the need for immediate corrective actions to strengthen internal financial controls and ensure accurate financial reporting. By implementation of ERP system, These weakness can be overcome and threats can be minimized.

4. Trade Receivables and Other Debtors

Trade receivables amounting to ₹ 878.78 Lakhs (previous year: ₹ 781.66 Lakhs) have been classified as unsecured and doubtful, including water supply charges recoverable from NEPA Nagar Palika. A provision of ₹ 508 Lakhs for bad and doubtful debts has been made against these book debts. The receivable amount is increasing year by year, but there has been no inflow of funds from NEPA Nagar Palika. This situation necessitates increased follow-up and recovery actions.

The outstanding recovery of Township Rent amounts to ₹ 315.44 Lakhs, against which a provision for doubtful recovery of Township Rent amounting to ₹ 20.92 Lakhs has been made. This provision is inadequate considering the period of non-recovery of such rent. NEPA Ltd. has proposed a new plan for the recovery where leave and license agreements will be renewed only once the old security deposit amounts are adjusted against house rent, and the remaining arrears are repaid by the employees. Additionally, rent for three years is to be collected in advance. Residents from whom rent amounting to ₹ 10.41 Lakhs is due have either vacated their houses or are absconding, making the recovery doubtful.

5. Trade Creditors and Trade Payables

The company does not have the Standard process of obtaining any balance confirmations for trade payables and security deposits. The classification of trade payable under current and non-current is not possible due to lack of such classification, Hence all are treated as current.

External Confirmations were asked from 47 Creditors amounting to ₹ 440.26 Lakhs. Confirmation was received from some, Company needs to strengthen the Balance Confirmation process and ensure matching of Balances provided by Vendors with Ledger balances.

6. Deposits Recoverability.

Deposits amounting to ₹ 51 Lakhs (previous year ₹ 50.54 Lakhs) are long recoverable. In absence of any confirmation or Proof regarding existence to substantiate the recoverability of these deposits the recognition of the assets cannot be commented upon. So, provision has been made in this regard on conservative basis.

7. Construction of Storage Tank

Capital Constructions Pvt. Ltd. constructed a storage tank for the DIP plant's pulp storage 2 to 3 years ago. However, the tank has developed leaks, and the exterior coating was not applied, resulting in the tank appearing worn out within 2 to 3 years of Usage.

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

1. We draw attention to Note No 32.2 that no provision for impairment has been made by the Management. We have relied on the information and explanation provided to us on the same.
2. We draw attention to Note No 33 that present value of obligation of gratuity amounting to ₹ 1,394.86 Lakhs against which Fair Value of Plan assets is ₹ 1074.34 Lakhs. The net obligation after adjusting fair value of plan assets is ₹ 320.52 Lakhs and amount of provision for Casual and Badli workers as per management calculation is ₹ 296.20 Lakhs as against the total provision of ₹ 616.72 Lakhs in the Balance Sheet. As against earlier policy stance, the management has decided to write back excess provision done. Hence the amount of ₹ 1294.25 Lakhs. Thus, loss as reduced by ₹ 1294.25 lakhs due to change in the accounting policy.
3. We draw attention to Note No. 17.1: Claim Receivable includes ₹ 726.73 Lakhs due from the Employee Provident Fund Organization (EPFO) for damages paid in earlier years on account of penalties imposed by EPFO. A provision of ₹ 340.64 Lakhs has been created, and the remaining amount of ₹ 386.09 Lakhs is shown as a contingent liability.
4. The GST records of the Company are not reconciled with the balances appearing in the books of accounts. The balance of GST credit available as per Electronic Credit Ledger is ₹ 2991.99 Lakhs and Balance as per Books is ₹ 3285.02 lacs difference of ₹ 293.03 Lakhs. Similarly in Cash Ledger Balance as per portal is ₹ 2.53 Lakhs and as per books it is NIL. No reconciliation is made for the said difference.
5. Additionally, it has been noted that Provision for leave encashment casual and badli workers is created from this year, No provision was created in earlier years. Gratuity for casual and badli workers is as per management calculations and not as per Actuarial Valuation. The amount to be qualified as prior period expenses is not ascertained and booked as expense in the financial year under review.

Material Uncertainty Related to Going Concern

We draw attention to Note No. 40 to the financial statements which indicate that the net worth of the Company has been completely eroded and it has accumulated losses of ₹ 83,713.85 Lakhs against share capital of ₹ 69432.78 Lakhs. The net current liability exceeds its current assets by ₹ 41556.77 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 commercial production after implementation of revival plan known as RMDP as per the scheme approved by BIFR. The going concern is solely & entirely dependent on successful operations and settlement/ waiver of dues to Government.

Our opinion is not modified in respect of this matter due to discussion with the management being hopeful to successfully be able to turn around the operations.

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

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

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

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

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

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

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

The Board of Directors are responsible for overseeing the Company's financial reporting process. Also, Audit trail compliance is primarily the responsibility of management.

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 based on these financial statements.

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

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

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, 2020 ("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 *except for matters described in the basis of Qualified Opinion Paragraph above* have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matters described *in the Basis for Qualified Opinion Paragraph above*, 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 the Companies (Accounting Standards) Rules, 2021.
 - e) The matter described in the Basis for Qualified Opinion paragraph above and the going concern matter described in Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) The provisions of Section 164(2) of the Act are not applicable to directors of the Company being a government company.
 - g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above and in our separate Report in "**Annexure C**" below.
 - h) With respect to the adequacy of the internal financial controls with reference to standalone 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 standalone financial statements.
 - i) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, the provisions of Section 197 of the Companies Act, 2013 are not applicable to a Government Company as per Notification No. GSR 463(E) dated 05.06.2015.
 - j) With respect to the other matters to be included in the Auditor's Report in accordance with

Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 standalone financial statements – Refer Note. 39 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note No. 46(n) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the Note No. 46(n) to the accounts, no funds have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid during the year by the company. Therefore, the provisions of section 123 of the Companies Act 2013 are not applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using software which has a feature of audit trail(edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is applicable for the financial year ended March 31, 2023 as there is no audit trail (edit log) in the software, Refer Annexure C for the same.

For,
M/s A. I. KOTHARI AND ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No: 112022W
CA Abhishek Kothari | PARTNER
 Membership No. 191911
 UDIN: 24191911BKFONW3025
 Date: 07/08/2024
 Place: Delhi

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, 2024

- i. (a) (A) The company is maintaining proper records showing full particulars, However, it has been observed that quantitative details are not separately available for Property, plant & equipment, which in turn affects the proper conduct of physical verification of Property, plant & equipment as quantities are not readily available. Asset Code is also not Mentioned on Assets for proper verification & quantification of Assets.
 (B) The company is maintaining records on a yearly basis for additions/deletions made during that year showing full particulars of intangible assets. ERP WIP was capitalized during the year 23-24 at ₹ 4,70,000/-.
- (b) The management, during the year, has physically verified the Property, Plant and Equipment of the company except assets transferred from Capital Work in Progress to Property Plant and Equipment and block of discarded assets during the year and management has provided us with Certificate for Physical Verification of Assets. However The status of assets as serviceable or non-serviceable was not updated in books of accounts in totality as per our test check observation. Hence we are unable to comment on the accuracy of the same.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favor of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) As informed and explained to us, the management has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and based on our examination of the records of the Company, no proceedings have been initiated or are pending against the company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (previously known as Benami Transactions (Prohibition) Act, 1988) and rules made thereunder.
- ii. (a) As informed and explained to us the inventory has been physically verified during the year on a yearly basis by the management. In our opinion, the frequency of verification needs to be Increased and overall process needs to be strengthened in view of the nature and size of the business.
 (b) As informed and explained to us by the management, the company has been sanctioned working capital limits from banks or financial institutions. Overdraft against FDR taken from Bank of India at ₹ 1,650.09 Lakhs
- iii. The company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties and hence reporting under clause (iii) of the Order is not applicable.

- 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.** The Company has not accepted any deposits or amounts which are deemed to be deposits under section 73 to 76 or any other relevant provisions of Companies Act, 2013 and rules framed thereunder. Hence, reporting under clause (v) of the Order is not applicable.
- vi.** The prescribed accounts and records have been made and maintained in accordance with the said rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act. Cost auditor has reported that company is applying WDV but in actual Straight line method.
- vii.** (a) According to the books of accounts and records examined by us as per the generally accepted auditing practices in India, in our opinion, the company has been regular in depositing undisputed statutory dues including Goods and Service Tax, provident fund, employee's state insurance, Income-Tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of such statutory dues which have remained outstanding as at 31st March, 2024 for a period of more than six months from the date they became payable except as already reported. (statutory dues payment & its default)

(b) There are no disputed dues on account of statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except the followings:

Particulars	Period	Amount (in Lakhs)	Forum where dispute is pending
Entry Tax	2008-09	4.49	M.P. Commercial Tax Appellate Board, Indore
VAT Tax	2009-10	75.65	M.P. Commercial Tax Appellate Board
Entry Tax	2009-10	7.16	M.P. Commercial Tax Appellate Board
VAT Tax	2010-11	10.42	M.P. Commercial Tax Appellate Board
Property Tax and Interest Thereon	1993-94 to 2022-23	202.01	M.P. High Court, Jabalpur Bench
Mandi Tax	1998	35.95	M P High Court, Jabalpur

viii. According to the explanations and information given to us by the management and as

verified by us, there are no transactions which were not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. The Company has defaulted in repayment of loans or borrowings to Governmentas at balance sheet date, the details of which are mentioned below

Nature of borrowing, including debt securities	Name of lender	Amount not paid on due Date	Whether principal	No. of days delay or or interest	Remarks, if any
Sanction no. of Loans from Government of India	Government of India			1st Instalment Due date to 31st March 2024	NA
NO.7(10)/2011 PE VII-I) DT 02-07-2012		334,555,487	Both Principal and Interest	2460	
NO.7(10)/2011 PE VII-II) DT 02-07-2012		92,454,661		2460	
NO.7(10)/2011 PE VII-I) DT 18-03-2013		327,408,960		2200	
NO.7(10)/2011 PE VII-II) DT 18-03-2013		37,562,330		2200	
7(9)/2013/PE-VII (I) DT 19-09-2013		483,426,220		2081	
7(9)/2013/PE-VII (II) DT 16-09-2013		90,440,540		2081	
7(9)/2013/PE-VII (I) DT 12-03-2014		297,077,893		1843	
7(9)/2013/PE-VII (I) DT 12-03-2014		32,291,075		1843	
7(13)/2013/PE-VII DT 07-03-2014		465,143,088		750	
7(12)/2014/PE-VII DT 08-10-2014		390,275,824		1634	
7(12)/2014/PE-VII DT 08-10-2014		466,612,794		1634	
7(12)/2014/PE-VII DT 20-01-2020		411,143,004		435	
7(12)/2014/PE-VII DT 23-04-2020		48,225,600		335	
7(12)/2014/PE-VII DT 17-07-2020		81,983,520		250	
7(12)/2014/PE-VII DT 26-08-2020		54,186,820		152	
7(12)/2014/PE-VII DT 27-10-2020		108,440,620		153	
7(12)/2014/PE-VII DT 26-11-2020		66,980,000		121	
7(12)/2014/PE-VII DT 03-03-2021		64,233,820	384		

7(12)/2014/PE-VII DT 27-01-2022		119,815,200		423	
7(12)/2014/PE-VII/CPSE-III DT 21-03-2022		100,588,343		366	
TOTAL		4,072,845,799			

(b) According to the information provided to us by the management, the company has not been declared as a willful defaulter by any bank or financial institution or any other lender.

(c) No term loans have been sanctioned and disbursed during the year. Overdraft against Fixed Deposit loan is availed and it is used for the working Capital and general corporate purpose. No diversion observed.

(d) According to the information and explanation given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that funds raised on short term are not used for long term purposes by the company.

(e) The company does not have any subsidiary, associate or joint venture and therefore clause (ix)(e) is not applicable.

(f) The company does not have any subsidiary, associate or joint venture and therefore clause (ix)(f) is not applicable.

x. (a) The Company did not raise any money by way of initial public offer/ further public offer (including debt instruments) during the year.

(b) The company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year for which the statutory formalities with the Registrar of Companies are still pending.

xi. (a) According to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT 4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) As per our information and according to the explanations given to us, no whistle blower complaints were received by the company during the year.

xii. In our opinion, the company is not a Nidhi Company and therefore, the provisions of clause (xii)(a), (xii)(b) and (xii)(c) 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. (a) In our opinion the Internal Audit system is not commensurate with the nature and size of business with reference to the scope of the audit and the remedial measures taken by the Management. There is strong requirement to improve the coverage ratio and reporting. As per the appointment, reports were to be submitted on a Quarterly basis instead of submitted on Half yearly basis.

(b) The Reports of the Internal Auditors for the period under audit were considered by the statutory auditor.

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 any non - cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

- xvi.** (a) According to the information and explanations given to us by the management, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- (b) According to the information and explanations given to us by the management, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us by the management, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) According to the information and explanations given to us by the management, the Group does not have any CIC as part of the Group, hence clause (xvi)(d) of paragraph 3 of the said order is not applicable to the company.
- xvii.** The company has incurred cash losses amounting to ₹ 9572 Lakhs in the current financial year.
- xviii.** There has been no resignation of the statutory auditors during the year.
- xix.** On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, in our knowledge of the Board of Directors and management plans, We are of the opinion that material uncertainty exists as of the date of the audit report regarding the company's ability to meet its liabilities that were outstanding as of the balance sheet date, as and when they fall due within a period of one year from the balance sheet date.
- xx.** According to the information and explanations given to us by the management and based on our examination of the records of the company, the company is not required to spend any amount as per the requirement of section 135 of the Companies Act, 2013, and therefore sub-clauses (a) and (b) of clause (xx) of para 3 are not applicable.
- xxi.** Since this report is being issued in respect of standalone financial statements of the company, hence clause (xxi) of paragraph 3 of the said Order is not applicable.

For,
M/s A. I. KOTHARI AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 112022W

CA Abhishek Kothari | PARTNER
Membership No. 191911
UDIN: 24191911BKFNW3025
Date: 07/08/2024
Place: Delhi

Annexure 'B'

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

Sr. No	CAG Directions	Auditor's Observations
1	Whether the company has a system in place to process all the accounting transaction through IT system? If yes, the implication of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications if any, may be stated.	The company used Fox Pro 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. We are unable to ascertain the integrity of the accounts along with its financial implications, if any.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/ loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of Lender Company).	There are no such cases.
3	Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and condition? List the cases of deviation.	Funds (grants/subsidy etc.) have been received for specific purposes from Central/State government and the funds are properly accounted for/ utilized as per its terms and conditions.

For,
M/s A. I. KOTHARI AND ASSOCIATES
 CHARTERED ACCOUNTANTS
 Firm Registration No: 112022W

CA Abhishek Kothari | PARTNER
 Membership No. 191911
 UDIN: 24191911BKFONW3025
 Date: 07/08/2024
 Place: Delhi

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 31st March 2024 in conjunction without audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted

accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2024:

- a) The control with respect to making accounting entries in the books of accounts is not adequate and does not commensurate with the size and nature of the business.
- b) As per Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, states that every company with effect from 1st April, 2023 which uses accounting software for maintaining its books of account shall use only such accounting software which has a feature of audit trail(edit log) and accordingly as per Rule 11(g) of Companies (Audit and Auditors) Rule, 2014, we report that the software which the company uses i.e. Fox-pro does not have Audit trail and edit log for each change made in the books of accounts along with the date is not recorded in the software. If the trail is available, same can be edited / Controlled.
- c) The Company's internal financial controls over control of inventory comprising of raw materials, loose tools, spare parts and finished goods appearing in the financial statements needs improvement in terms of regular monitoring of non/slow moving, obsolete inventory items.
- d) The process of balance confirmations from the trade receivables, trade payables and advances given by the company needs to be developed; the Company still needs to assess the correct position of the receivables in terms of their recoverability. The Company is required to undertake the process of reconciliation of account balances with the vendors of the RMDP project due to the long tenure of the project and substantial expenditure by the Company.
- e) The accounting software of the Company is not able to provide ageing of trade payable, trade receivables, capital work-in-progress and recovery of house rent classified under Accrued Income Receivable.

- f) The cheque book register is not maintained by the Department as all the entries are directly fed in computer system. There is no control if the cheques are issued and not entered in the system.
- g) There are long outstanding opening balances appearing in the books for which no details are available with the company. The same needs to be written off/back from the books.
- h) Various financial information is available with different sections and the company lacks the coordination required for the preparation of financial statements needs to be strengthened. The control for year-end financial close and reporting process does not commensurate with the size and nature of the business.
- i) Prior period expenses are booked in the current period. These are recorded on the cash basis.
- j) The process of recording bank transactions is inadequate. Bank Reconciliation Statements are not prepared on regular basis. Entries are not updated on real time basis. On verification of BRS, it was observed that there is significant delay in reconciliation of entries. It's crucial to address these unreconciled entries promptly to ensure accuracy in financial records and to observe and rectify any potential issues or errors that may have occurred during that period.

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

Except as cases listed above the Company has, in all material respects, maintained adequate internal financial controls with reference to financial statements as of March 31, 2024. The internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, 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, 2024.

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, 2024 of financial statements of the Company, and these material weaknesses do not affect our qualified opinion on the standalone financial statements of the Company.

For,
M/s A. I. KOTHARI AND ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No: 112022W

CA Abhishek Kothari | PARTNER
Membership No. 191911
UDIN: 24191911BKFONW3025
Date: 07/08/2024
Place: Delhi

NEPA LIMITED
NEPANAGAR (M.P.)
CIN:U21012MP1947GOI000636
BALANCE SHEET AS ON 31ST MARCH, 2024

(Rs. In Lakhs)

	NOTE	AS ON 31.03.2024	AS ON 31.03.2023
I EQUITY AND LIABILITIES			
1) SHAREHOLDER'S FUNDS			
(a) SHARE CAPITAL	2	69,432.78	69,432.78
(b) RESERVES & SURPLUS	3	(83,717.05)	(71,040.86)
2) SHARE APPLICATION MONEY PENDING FOR ALLOTMENT	4	3,000.00	3,000.00
3) NON-CURRENT LIABILITIES			
(a) LONG-TERM BORROWINGS	5	6,594.60	9,258.80
(b) LONG TERM PROVISIONS	6	889.73	2,152.75
4) CURRENT LIABILITIES			
(a) SHORT-TERM BORROWINGS	7	19,735.49	15,421.20
(b) TRADE PAYABLES	8		
(I) TOTAL OUTSTANDING DUES OF MICRO ENTRPRISES AND SMALL ENTRPRISES	8a	584.97	654.01
(II) TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTRPRISES AND SMALL ENTRPRISES	8b	1,458.53	1,083.99
(c) OTHER CURRENT LIABILITIES	9	34,885.10	29,910.30
(d) SHORT TERM PROVISIONS	10	1,258.00	544.40
GRAND TOTAL		54,122.15	60,417.37
II ASSETS			
1) NON-CURRENT ASSETS			
(a) PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	11		
(i) PROPERTY, PLANT & EQUIPMENT	11a	37,162.61	38,607.31
(ii) CAPITAL WORK IN PROGRESS	11b	525.37	475.26
(iii) INTANGIBLE ASSET UNDER DEVELOPMENT (ERP)	11c	4.70	4.70
(b) LONG TERM LOANS & ADVANCES	12	40.76	25.77
(c) OTHER NON CURRENT ASSETS	13	51.00	50.54
2) CURRENT ASSETS			
(a) INVENTORIES	14	2,363.51	3,949.31
(b) TRADE RECEIVABLES	15	508.71	498.45
(c) CASH & BANK BALANCES	16	7,842.18	10,073.10
(d) SHORT- TERM LOANS & ADVANCES	17	4,895.38	6,120.27
(e) OTHER CURRENT ASSETS	18	727.94	612.66
GRAND TOTAL		54,122.15	60,417.37
		-	0.00
SIGNIFICANT ACCOUNTING POLICIES	1		
NOTES ON FINANCIAL STATEMENTS	02 TO 46		

AS PER OUR REPORT
FOR A.J KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 112022W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CA ABHISHEK KOTHARI
PARTNER
M.NO. 191911

PRADEEP KUMAR NAIK
DIRECTOR FINANCE
(ADD. CHARGE)

RAKESH KUMAR CHOKHANI
CHAIRMAN CUM MANAGING DIRECTOR
(ADD. CHARGE)

DIN: 08676709

DIN: 10590173

PLACE: New Delhi
DATE: 07/08/2024
UDIN: 24191911BKFNW3025

NIDHI MISHRA
COMPANY SECRETARY
M.No. A53762

CA VIKAS REDDY
CHIEF FINANCIAL OFFICER

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

(Rs. In LAKHS)

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2024

PARTICULARS	NOTE	Period ended on 31st March 2024	Period ended on 31st March 2023
I REVENUE FROM OPERATIONS	19	12,458.61	2,717.17
II OTHER INCOME	20	912.57	1,351.55
III TOTAL REVENUE		13,371.18	4,068.72
IV. EXPENSES			
(a) COST OF MATERIALS CONSUMED	21	7,769.37	2,875.24
(b) PURCHASE OF STOCK-IN-TRADE	22	1,372.55	1,607.73
(c) CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE	23	1,124.53	(2,559.35)
(d) EMPLOYEE BENEFIT EXPENSES	24	1,280.32	3,097.71
(e) FINANCE COST	25	5,257.47	4,867.48
(f) DEPRECIATION & AMORTIZATION	11	1,878.19	1,164.43
(g) OTHER EXPENSES	26	7,364.89	3,151.44
TOTAL EXPENSES		26,047.32	14,204.68
V PROFIT/ (LOSS) BEFORE EXCEPTIONAL & EXTRA- ORDINARY ITEMS		(12,676.13)	(10,135.97)
VI EXCEPTIONAL ITEMS		-	443.63
VII PROFIT/(LOSS) BEFORE EXTRA ORDINARY ITEMS AND TAX		(12,676.13)	(10,579.60)
VIII EXTRAORDINARY ITEMS		-	-
IX PROFIT/(LOSS) BEFORE TAX		-	-
X TAX EXPENSE		-	-
CURRENT TAX		-	-
DEFERRED TAX		-	-
XI PROFIT/(LOSS) FOR THE PERIODS FOR CONTINUING OPERATIONS		(12,676.13)	(10,579.60)
XII PROFIT/(LOSS) FOR THE PERIODS FROM DISCONTINUING OPERATIONS		-	-
XIII TAX EXPENSE OF DISCONTINUING OPERATIONS		-	-
XIV PROFIT/(LOSS) FOR THE PERIODS FROM DISCONTINUING OPERATIONS(AFTER TAX)		-	-
XV PROFIT/(LOSS) AFTER TAX		(12,676.13)	(10,579.60)
EARNING PER EQUITY SHARE			
BASIC		(1.03)	(0.86)
DILUTED		(1.03)	(0.86)

SIGNIFICANT ACCOUNTING POLICIES
NOTES TO ACCOUNTS

1
02 TO 46

AS PER OUR REPORT OF EVEN DATE
ATTACHED
FOR A.I KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 112022W

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CA ABHISHEK KOTHARI
PARTNER

PRADEEP KUMAR NAIK
DIRECTOR FINANCE

RAKESH KUMAR CHOKHANI
CHAIRMAN CUM MANAGING
DIRECTOR

M.NO. 191911

(ADD. CHARGE)
DIN: 08676709

(ADD. CHARGE)
DIN: 10590173

PLACE: New Delhi
DATE: 07/08/2024

NIDHI MISHRA
COMPANY SECRETARY
M.No. A53762

VIKAS REDDY
CHIEF FINANCIAL OFFICER

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2024

<u>Particulars</u>	<u>Year ended 31st March 2024</u>	<u>(Rs. In Lakh) Year ended 31st March 2023</u>
<u>A. Cash Flow from Operating Activities</u>		
Net Profit/(Loss) before Extra Ordinary Items and Tax	(12,676.13)	(10,579.60)
<u>Adjustment for:</u>		
Interest Earned	(494.23)	(786.05)
Depreciation	1,878.19	1,164.43
Provisions & Liabilities Written Back	(0.05)	(31.74)
(Profit)/ Loss on sale of Fixed Assets	-	-
Interest & Finance Charges	5,254.41	4,867.48
	(6,037.81)	(5,365.48)
Operating Profit (before working Capital changes)		
(Increase) / Decrease Inventories	1,585.80	(3,472.55)
(Increase) / Decrease Trade and other Receivables	(10.26)	(86.77)
(Increase) / Decrease Other Bank Balances	636.44	7,400.65
(Increase) / Decrease Short Term Loan & Advances	1,224.89	(1,856.00)
(Increase) / Decrease in Other Current Assets	13.12	(30.21)
Increase / (Decrease) Trade payables	305.49	704.25
Increase / (Decrease) in Provisions	(549.46)	16.25
Increase / (Decrease) in Other Current Liabilities	(226.65)	(1,369.73)
	2,979.36	1,305.90
Income Tax Paid	-	-
CASH GENERATED FROM OPERATING ACTIVITIES (A)	(3,058.45)	(4,059.58)
<u>B. Cash flow from Investing activities</u>		
(Purchase)/ Sale of Property, Plant & Equipments	(433.49)	(77.00)
Investment in RMDP Project (CWIP)	(50.11)	(2,230.93)
(Purchase)/Sale of Intangible Assets under development	-	(4.70)
(Increase)/Decrease in Long Term Loans & Advances	(15.44)	2.93
(Increase)/Decrease in Fixed Deposit	613.78	3,765.46
Interest Earned	365.83	621.61
CASH GENERATED FROM INVESTING ACTIVITIES (B)	480.57	2,077.37
<u>C. Cash flow from Finance Activities</u>		
Bank Overdraft	1,650.09	-
Transfer from Subsidy Reserve during the year	0.05	0.05
Proceeds of GOI Loan	0.00	0.00
Interest and Financial charges paid	(52.96)	(8.70)
Proceeds from Share Application Money	-	-
CASH GENERATED FROM FINANCING ACTIVITIES (C)	1,597.18	(8.65)
Net inflow/outflow in cash & cash equivalents (A-B-C)	(980.70)	(1,990.86)
Add:- Opening Cash and Cash equivalents	2,178.98	4,169.84
Closing Cash & Cash equivalents	1,198.28	2,178.98

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.7842.18 Lakhs include Cash & Cash Equivalents Rs. 1198.28 Lakhs (Previous Year Rs.2178.98 Lakhs) and Other Bank Balances Rs. 6643.90 Lakhs (Previous Year Rs.7894.11 Lakhs).
- As per CAG observation, short term fixed deposits (going to be matured within three months) have been classified as "cash & cash equivalent" (previous year shown under other Bank Balances).
- 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 AND ON BEHALF OF THE BOARD OF DIRECTORS
FOR A.J KOTHARI & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 112022W

CA ABHISHEK KOTHARI

PARTNER

M.NO. 191911

PLACE: New Dehli

DATE: 07/08/2024

PRADEEP KUMAR NAIK

DIRECTOR FINANCE

(ADD. CHARGE)
DIN: 08676709

NIDHI MISHRA
COMPANY SECRETARY
M.No. A53762

RAKESH KUMAR CHOKHANI

CHAIRMAN CUM MANAGING
DIRECTOR

(ADD. CHARGE)
DIN: 10590173

VIKAS REDDY
CHIEF FINANCIAL OFFICER

Notes on Financial Statements for the year ended on 31st March 2024

Note 1

Corporate Information

Nepa Limited (“the Company”) is 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 were 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 has successfully implemented GOI approved Revival and Mill Development Plan (RMDP) sanctioned by BIFR in March 2014 on 22nd August 2022. Under RMDP, a new 300 TPD De-inking plant is installed, and Paper Machine & Captive Power Plant are 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 on 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 the Companies (Accounting Standards) Rules, 2021.

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.

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 and water works	18 years
Railway Siding	18 years
Diesel Generator Set	10 years
Tractor & Oil Engines	10 years
Fire Extinguisher Equipment	10 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 capitalized 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. The closing stock of Petrol, Diesel, Lubricant oil and Extra Premium Petrol is valued at cost based on First in First Out.

v. The closing stock of coal is valued on the Weighted Average Cost

vi. The closing stock of scrap is valued as Net Realisable Value (Sales price less any expenses on sale)

Stock of coal cinder and coal 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.

i. No adjustment is made for self-consumption of newsprint and re-pulping of rejected and old stock of newsprint.

ii. Shortage/excess found during physical verification of inventories is adjusted to consumption.

iii. 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 and VAT 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.

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
NEPANAGAR (M.P.)

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2024

NOTE NO. 02

SHARE CAPITAL

PARTICULARS	(Rs. In Lakhs)	
	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
I. AUTHORISED SHARE CAPITAL		
a) 1,29,83,40,000 Equity Share of Rs.5/- each (Previous year 108,00,00,000 Equity Share of Rs.5/- each)	64,917.00	64,917.00
b) 15,08,300, 7% Non- Cumulative Preference Share of Rs. 1000 each. (Previous Year 15,08,300, 7% Non- Cumulative Preference Share of Rs. 1000/- each) (REFER NOTE NO. 29 OF NOTES TO ACCOUNTS)	15,083.00	15,083.00
	<u>80,000.00</u>	<u>80,000.00</u>
II. ISSUED, SUBSCRIBED & PAID UP CAPITAL		
a) 1,23,54,89,564 Equity Shares of Rs. 5/- each Fully Paid up (Previous Year 107,86,69,564 Equity Shares of Rs. 5/- each Fully Paid up)	61,774.48	61,774.48
<u>Add:</u> Forfeited Equity Shares 97,780 (97,780) Equity Share of Rs.10/-each Fully Paid up	4.30	4.30
	<u>61,778.78</u>	<u>61,778.78</u>
b) 7% Non Cumulative Preference Share 7,65,400 of Rs. 1,000/- each (Previous Year 7,65,400 preference share of Rs. 1,000/- each)	7,654.00	7,654.00
Total (a+b)	<u>69,432.78</u>	<u>69,432.78</u>
III. Par Value per Share		
1,23,54,89,564 Equity Shares	RS. 5/Share	RS. 5/Share
7% 7,65,400 Non Cumulative Preference Share	RS. 1000/Share	RS. 1000/Share
IV. RECONCILIATION OF NUMBER OF SHARE OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD		
<hr/>		
<u>PARTICULARS</u>	AS ON 31.03.2024	AS ON 31.03.2023
(I) EQUITY SHARE OF RS.5/- EACH FULLY PAID UP OPENING BALANCE	1,23,54,89,564	1,07,86,69,564
<u>ADD:</u> SHARES ALLOTTED DURING THE YEAR CLOSING BALANCE	<u>-</u>	<u>15,68,20,000</u>
	<u>1,23,54,89,564</u>	<u>1,23,54,89,564</u>

(II) 7% NON-CUMULATIVE PREFERENCE SHARES OF Rs.1000/- EACH FULLY PAID UP

OPENING BALANCE	7,65,400	7,65,400
ADD: ISSUED DURING THE YEAR	-	-
LESS: REDUCED DURING THE YEAR	-	-
CLOSING BALANCE	7,65,400	7,65,400

TOTAL	1,23,62,54,964	1,23,62,54,964
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NOTE: 1.COMPANY HAS FORFEITED 97,780 NO. OF EQUITY SHARES (PAR VALUE WAS RS. 10/SHARE) IN EARLIER YEARS DUE TO NON-PAYMENT.

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

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

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

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

PARTICULARS	31.03.2024		31.03.2023	
	NO. OF SHARES	% OF SHARE HOLDING	NO. OF SHARES	% OF SHARE HOLDING
EQUITY SHARES OF RS.5/- EACH				
(I) CENTRAL GOVERNMENT	1,20,42,97,344	97.48%	1,20,42,97,344	97.48%
7% NON-CUMULATIVE PREFERENCE SHARES				
(II) CENTRAL GOVT. PREFERENCE SHARES	7,65,400	100.00%	7,65,400	100.00%

G Shareholding of Promoters

Shares held by promoters at the end of the year (Equity Share)					
S.No	Promoter name	No. of Shares	%of total shares	% Change during the year	
1	President of India	1,20,42,97,344	97.48%	0.00%	
2	Governor of Madhya Pradesh	3,05,37,290	2.47%	No Change	
Total		1,23,48,34,634	99.95%		

Shares held by promoters at the end of the year (Preference Share)					
S.No	Promoter name	No. of Shares	%of total shares	% Change during the year	
1	President of India	7,65,400	100%	No Change	
Total		7,65,400	100%		

NOTE NO. 03

RESERVES AND SURPLUS

S.NO.	PARTICULARS	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
A.	SUBSIDY RESERVE		
	OPENING BALANCE	0.39	0.44
	ADD: ADDITION/(TRANSFER) DURING THE YEAR	(0.05)	(0.05)
	CLOSING BALANCE	0.34	0.39
B.	NET DEFICIT IN STATEMENT PROFIT & LOSS		
	NET DEFICIT AT THE BEGINNING OF THE YEAR	(71,041.25)	(60,461.65)
	ADD: PROFIT/ (LOSS) INCURRED DURING THE YEAR	(12,676.13)	(10,579.60)
	NET DEFICIT AT THE END OF THE YEAR	(83,717.39)	(71,041.25)
	TOTAL	(83,717.05)	(71,040.86)

NOTE 03.01:

TRANSFER OF Rs. 0.05 LAKHS (PREVIOUS YEAR RS. 0.05 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 31.03.2024	AMOUNT AS ON 31.03.2023
a) EQUITY SHARE APPLICATION PENDING FOR ALLOTMENT	-	-
b) 7% NON CUMULATIVE PREFERENCE SHARE PENDING FOR ALLOTMENT (REFER NOTE. 26.11 OF NOTES TO ACCOUNTS)	3,000.00	3,000.00
TOTAL	3,000.00	3,000.00
A) TERMS AND CONDITION:- THE FUNDS RECEIVED FROM GOVERNMENT TO BE UTILISED TOWARDS IMPLEMENTATION OF REVIVAL MILL DEVELOPMENT PLAN		
B) NO. OF SHARES PROPOSED TO BE ISSUED 3,00,000 7% NON COMMULATIVE PREFERENCE SHARE OF RS. 1000 EACH		
C) PERIOD BEFORE WHICH SHARE ARE TO BE ALLOTTED : ALLOTMENT TO BE DONE AFTER APPROVAL FROM SHAREHOLDERS OF THE COMPANY, NO TIME PERIOD DEFINED		

NOTE NO. 05

LONG-TERM BORROWINGS

PARTICULARS	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
GOVERNMENT OF INDIA (PLAN & NON PLAN LOAN)	6,594.60	9,258.80
TOTAL	6,594.60	9,258.80

Terms of Repayment of Long Term Borrowings

Particulars	Total tenure of Loan	Frequency of Installment	Amount Outstanding	Rate of Interest
7(12)/2014/PE-VII DT 20-01-2020	5 Years	Yearly	15,30,40,389.20	13.50%
7(12)/2014/PE-VII DT 23-04-2020	5 Years	Yearly	4,32,00,000.00	13.50%
7(12)/2014/PE-VII DT 17-07-2020	5 Years	Yearly	7,34,40,000.00	13.50%
7(12)/2014/PE-VII DT 26-08-2020	5 Years	Yearly	4,85,40,000.00	13.50%
7(12)/2014/PE-VII DT 27-10-2020	5 Years	Yearly	9,71,40,000.00	13.50%
7(12)/2014/PE-VII DT 26-11-2020	5 Years	Yearly	6,00,00,000.00	13.50%
7(12)/2014/PE-VII DT 03-03-2021	5 Years	Yearly	5,75,40,000.00	13.50%
7(12)/2014/PE-VII DT 27-01-2022	5 Years	Yearly	6,88,00,000.00	13.50%
7(12)/2014/PE-VII/CPSE-III DT 21-03-2022	5 Years	Yearly	5,77,59,600.00	13.50%

NOTE NO. 06

LONG TERM PROVISIONS

PARTICULARS	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
1 PROVISION FOR GRATUITY	277.47	1,531.00
2 PROVISION FOR LEAVE ENCASHMENT	612.26	621.75
TOTAL	889.73	2,152.75

NOTE NO. 07

SHORT TERM BORROWINGS

PARTICULARS	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
1 UNSECURED LOAN CURRENT MATURITIES OF LONG TERM DEBT	18,085.40	15421.20
2 BANK BORROWING OVERDRAFT AGAINST FDR	1,650.09	-
TOTAL	19,735.49	15,421.20

Default in repayment of Government of India
Loan

PARTICULARS	TOTAL AMOUNT	PRINCIPAL AMOUNT	INTEREST INCLUDING PENAL INTEREST	NO. OF INSTALLMENTS OVERDUE	LAST DEFAULT SINCE
NO.7(10)/2011 PE VII-I) DT 02-07-2012	33,45,55,487	11,29,00,000	22,16,55,487	5.00	6th JULY, 2017
NO.7(10)/2011 PE VII-II) DT 02-07-2012	9,24,54,661	3,12,00,000	6,12,54,661	5.00	6th JULY, 2017
NO.7(10)/2011 PE VII-I) DT 18-03-2013	32,74,08,960	11,68,00,000	21,06,08,960	5.00	23rd MARCH, 2018
NO.7(10)/2011 PE VII-II) DT 18-03-2013	3,75,62,330	1,34,00,000	2,41,62,330	5.00	23rd MARCH, 2018
7(9)/2013/PE-VII (I) DT 19-09-2013	48,34,26,220	17,96,00,000	30,38,26,220	5.00	20th JULY, 2018
7(9)/2013/PE-VII (II) DT 16-09-2013	9,04,40,540	3,36,00,000	5,68,40,540	5.00	20th JULY, 2018
7(9)/2013/PE-VII (I) DT 12-03-2014	29,70,77,893	11,50,00,000	18,20,77,893	5.00	15th MARCH, 2019
7(9)/2013/PE-VII (I) DT 12-03-2014	3,22,91,075	1,25,00,000	1,97,91,075	5.00	15th MARCH, 2019
7(13)/2013/PE-VII DT 07-03-2014	46,51,43,088	17,18,00,000	29,33,43,088	5.00	12th MARCH, 2022
7(12)/2014/PE-VII DT 08-10-2014	39,02,75,824	15,90,00,000	23,12,75,824	5.00	10th OCTOBER, 2019
7(12)/2014/PE-VII DT 08-10-2014	46,66,12,794	19,01,00,000	27,65,12,794	5.00	10th OCTOBER, 2019
7(12)/2014/PE-VII DT 20-01-2020	41,11,43,004	15,30,40,389	25,81,02,615	2.00	21st JANUARY 2023
7(12)/2014/PE-VII DT 23-04-2020	4,82,25,600	1,44,00,000	3,38,25,600	1.00	01st May 2023
7(12)/2014/PE-VII DT 17-07-2020	8,19,83,520	2,44,80,000	5,75,03,520	1.00	25th July 2023
7(12)/2014/PE-VII DT 26-08-2020	5,41,86,820	1,61,80,000	3,80,06,820	1.00	31st Oct 2023
7(12)/2014/PE-VII DT 27-10-2020	10,84,40,620	3,23,80,000	7,60,60,620	1.00	30th Oct 2023
7(12)/2014/PE-VII DT 26-11-2020	6,69,80,000	2,00,00,000	4,69,80,000	1.00	01st Dec 2023
7(12)/2014/PE-VII DT 03-03-2021	6,42,33,820	1,91,80,000	4,50,53,820	1.00	13th March 2023
7(12)/2014/PE-VII DT 27-01-2022	11,98,15,200	6,88,00,000	5,10,15,200	2.00	2nd FEBRUARY 2023
7(12)/2014/PE-VII/CPSE-III DT 21-03-2022	10,05,88,343	5,77,59,600	4,28,28,743	2.00	31st MARCH 2023
TOTAL	4,07,28,45,799	1,54,21,19,989	2,53,07,25,810		

Current Maturities Of Long Term Debt

PARTICULARS	TOTAL AMOUNT	PRINCIPAL AMOUNT
7(12)/2014/PE-VII DT 20-01-2020	7,65,20,195	7,65,20,195
7(12)/2014/PE-VII DT 23-04-2020	1,44,00,000	1,44,00,000
7(12)/2014/PE-VII DT 17-07-2020	2,44,80,000	2,44,80,000
7(12)/2014/PE-VII DT 26-08-2020	1,61,80,000	1,61,80,000
7(12)/2014/PE-VII DT 27-10-2020	3,23,80,000	3,23,80,000
7(12)/2014/PE-VII DT 26-11-2020	2,00,00,000	2,00,00,000
7(12)/2014/PE-VII DT 03-03-2021	1,91,80,000	1,91,80,000
7(12)/2014/PE-VII DT 27-01-2022	3,44,00,000	3,44,00,000
7(12)/2014/PE-VII/CPSE-III DT 21-03-2022	2,88,79,800	2,88,79,800
TOTAL	26,64,19,995	26,64,19,995
GRAND TOTAL	4,33,92,65,794	1,80,85,39,984

NOTE NO. 07.01

Interest accrued and due and interest accrued but not due on current maturities of long term debt has been classified under "other current liabilities".

NOTE NO. 08

TRADE PAYABLES

PARTICULARS	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
8(a) TOTAL OUTSTANDING DUES OF MICRO ENTERPRISES AND SMALL ENTERPRISES	584.97	654.01
8(b) TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTERPRISES AND SMALL ENTERPRISES	1,458.53	1,083.99
TOTAL	2,043.50	1,738.00

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	584.97		654.01
	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	-		-

Trade Payable ageing
F.Y. 2023-24

Particulars	(Amount in ₹ Lakhs)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME		584.97				584.97
(ii)Others	348.09	221.96	4.14	3.63	880.67	1,458.49
(iii) Disputed dues – MSME						
(iv) Disputed dues - Others						

F.Y. 2022-23

Particulars	(Amount in ₹ Lakhs)					
	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)MSME	649.68	4.33				654.01
(ii)Others	104.08	161.42	4.42	5.68	808.39	1,083.99
(iii) Disputed dues – MSME						
(iv) Disputed dues - Others						

NOTE NO. 9

OTHER CURRENT LIABILITIES

PARTICULARS	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
1 INTEREST ACCRUED & DUE (ON GOI LOAN)		
- INTEREST	10,588.20	8,982.23
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	20,045.08	15,648.92
2 INTEREST ACCRUED AND NOT DUE (ON GOI LOAN)		
- INTEREST	411.62	517.83
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	441.82	1,136.31
3 DEPOSIT FROM CONTRACTOR / AGENT /CUSTOMERS & OTHERS	786.17	786.68
4 ADVANCE FROM CUSTOMERS	15.47	40.71
5 CREDITORS FOR RMDP PROJECT	2,110.44	2,286.20
6 SECURITY DEPOSIT FOR RMDP PROJECT	159.16	238.77
7 OTHER PAYABLES	327.13	272.66
TOTAL	34,885.10	29,910.30
OTHER PAYABLES PERTAIN TO:		
STATUTORY LIABILITIES	195.71	207.60
OTHER CREDITORS	131.42	65.06
TOTAL	327.13	272.66

NOTE NO. 10

SHORT TERM PROVISIONS

PARTICULARS	AMOUNT AS ON 31.03.2024	AMOUNT AS ON 31.03.2023
PROVISION FOR LEAVE ENCASHMENT	183.30	164.43
PROVISION FOR GRATUITY (CURRENT LIABILITIES)	339.25	379.97
PROVISION FOR LIABILITY/NON RECOVERABILITY OF ASSETS	735.45	0.00
TOTAL	1,258.00	544.40

Note No. 11
PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	GROSS BLOCK AT COST				LESS DEPRECIATION / AMORTIZATION			NET BLOCK	
	AS ON	Additions	Deduction	AS AT	AS ON	For the	Upto	AS AT	AS AT
	01.04.2023			31.03.2024	01.04.2023	Year	31.03.2024	31.03.2024	31.03.2023
Note No. 11a									
Tangible Assets									
(a) LEASED ASSETS									
Land Lease hold	2.50	-	-	2.50	1.88	-	1.88	0.62	0.62
(b) OWNED ASSETS									
Free Hold Land	-	-	-	-	-	-	-	2.58	2.58
Buildings	1,382.28	-	-	1,382.28	1,019.47	12.70	1,032.17	350.11	362.81
Plant and Equipment	42,875.54	406.47	-	43,282.01	7,251.19	1,728.03	8,979.22	34,302.79	35,624.35
Furniture & Fixture	235.63	2.27	-	237.90	192.77	6.13	198.90	39.00	42.86
Office Equipment	58.50	7.56	-	66.06	44.20	2.55	46.75	19.31	14.30
Computer Equipment	125.45	11.46	-	136.91	109.06	7.80	116.86	20.05	16.39
Vehicles	10.50	-	-	10.50	9.88	-	9.88	0.62	0.62
Railway Sidings	412.93	-	-	412.93	323.83	11.37	335.20	77.73	89.10
Water Works	2,650.03	5.73	-	2,655.76	295.13	109.61	404.74	2,251.02	2,354.90
Roads and Bridges	51.69	-	-	51.69	49.14	-	49.14	2.55	2.55
Library Books	0.37	-	-	0.37	0.35	-	0.35	0.02	0.02
Discarded Assets	186.57	-	-	186.57	90.36	-	90.36	96.21	96.21
TOTAL (A)	47,994.57	433.49	-	48,428.06	9,387.26	1,878.19	11,265.45	37,162.61	38,607.31
Previous Year (A)	9,649.71	38,344.86	-	47,994.57	8,222.83	1,164.43	9,387.26	38,607.31	1,426.88
Note No.11b									
Capital Work in Progress									
Plant & Machiner under Erection	475.26	50.11	-	525.37	-	-	-	525.37	475.26
TOTAL (B)	475.26	50.11	-	525.37	-	-	-	525.37	475.26
Previous Year (B)	35,971.63	2,230.93	37,727.30	475.26	-	-	-	475.26	475.26
Note No.11c									
Intangible Assets under Development	4.70	-	-	4.70	-	-	-	4.70	4.70
Previous Year (C)	-	4.70	-	4.70	-	-	-	4.70	4.70
GRAND TOTAL (A+B)	48,474.53	483.60	-	48,958.13	9,387.26	1,878.19	11,265.45	37,692.68	39,087.27
Previous Year Grand Total (A+B+C)	45,621.34	40,580.49	37,727.30	48,474.53	8,222.83	1,164.43	9,387.26	39,087.27	1,906.84

Note No. 11.01
Details of ageing of Capital Work in Progress and Intangible Assets under Development are mentioned in note 44(d) and (e).

NOTE NO. 12

LONG TERM LOANS AND ADVANCES

PARTICULARS	AMOUNT	AMOUNT
	AS ON 31.03.2024	AS ON 31.03.2023
1 CAPITAL ADVANCES FOR RMDP PROJECT	40.76	25.77
TOTAL	40.76	25.77
(12)A		
Secured Considered Good	-	-
Unsecured Considered Good	40.76	25.77
Doubtful	-	-
Total	40.76	25.77

NOTE NO. 13

OTHER NON CURRENT ASSETS

1 SECURITY DEPOSIT FOR SERVICE CONNECTION	1.85	1.40
2 DEPOSIT WITH OTHER AUTHORITIES	19.41	19.41
3 SALES TAX PAID UNDER PROTEST	15.68	15.68
4 SALES TAX RECOVERABLE	14.06	14.06
TOTAL	51.00	50.54

NOTE NO. 14

INVENTORIES

PARTICULARS	AMOUNT	AMOUNT
	AS ON 31.03.2024	AS ON 31.03.2023
RAW MATERIALS	273.67	787.53
LESS: PROVISION FOR REDUCTION IN VALUE	-	-
STOCK OF FINISHED GOODS (AT YEAR END)	1,394.24	2,478.94
STOCK- IN-TRADE		
a) PETROL	10.64	15.77
b) DIESEL	15.30	11.70
c) LUBRICANT OIL	1.25	2.65
d) PETROL XP	15.93	16.68
STORES AND SPARES		
a) MOVING STORES & SPARES	318.76	174.27
b) NON MOVING ITEMS FOR 5 YEARS OR MORE	517.11	502.46
LESS: PROVISION FOR NON MOVING ITEMS	(517.11)	(502.46)
LOOSE TOOLS	4.92	4.10
OTHERS		
a) COAL CINDER	152.65	191.30
b) COAL	116.73	209.46
c) SCRAP MATERIAL	59.43	56.93
TOTAL	2,363.51	3,949.31

Note: Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, if any.

NOTE NO. 15

TRADE RECEIVABLE

PARTICULARS	AMOUNT	AMOUNT
	AS ON 31.03.2024	AS ON 31.03.2023
15.1 SECURED AND CONSIDERED GOOD	-	0
15.1 UNSECURED AND CONSIDERED GOOD	137.93	4.30
15.2 DOUBTFUL	878.78	781.66
LESS: PROVISION FOR DOUBTFUL DEBTS	(508.00)	(287.51)
TOTAL	508.71	498.45

Trade Receivable ageing

F.Y. 2023-24

Particulars	(Amount in Lacs)							Total
	Outstanding for following periods from due date of payments*							
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good		137.93						137.93
(ii) Undisputed Trade Receivables – considered doubtful		97.12	0	90.61	196.35	494.69		878.77
(iii) Disputed Trade Receivables considered good								
(iv) Disputed Trade Receivables considered doubtful								

F.Y. 2022-23

Particulars	(Amount in Lacs)							Total
	Outstanding for following periods from due date of payments*							
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good		4.30						4.30
(ii) Undisputed Trade Receivables – considered doubtful		43.48	47.14	106.95	89.39	494.70		781.66
(iii) Disputed Trade Receivables considered good								
(iv) Disputed Trade Receivables considered doubtful								

NOTE NO. 16**CASH AND BANK BALANCES**

PARTICULARS	AMOUNT AS ON	
	31.03.2024	31.03.2023
CASH & CASH EQUIVALENT		
A) <u>CASH IN HAND</u>		
1 CASH BOOK (ADMIN OFFICE)	2.13	2.50
2 CASH IN HAND WITH OTHER DEPARTMENTS OF THE MILL	-	4.97
B) BALANCE WITH SCHEDULE BANKS- CURRENT ACCOUNT	415.28	375.12
C) FDR MATURED WITH IN 3 MONTH FROM THE DATE OF BALANCE SHEET	780.87	1,796.39
	1,198.28	2,178.98
OTHER BANK BALANCES		
D) FIXED DEPOSITS WITH SCHEDULE BANKS	1,891.26	2,540.90
E) OTHER BANK BALANCES (AGAINST BANK GUARANTEE)	566.01	530.15
F) BALANCE IN ESCROW ACCOUNTS	4,186.63	4,823.07
	6,643.90	7,894.11
TOTAL	7,842.18	10,073.10

NOTE:- 16.1:-

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

- BANK OVERDRAFT
- BANK GUARANTEES

NOTE NO. 17**SHORT TERM LOANS AND ADVANCES**

PARTICULARS	AMOUNT AS ON	
	31.03.2024	31.03.2023
OTHERS		
UNSECURED		
1 ADVANCE AGAINST INDIGENOUS PURCHASE AND OTHERS -CONSIDERED GOOD	0.41	1.91
- DOUBTFUL	0.71	0.71
LESS:-PROVISION FOR BAD AND DOUBTFUL	(0.71)	(0.71)
2 FESTIVAL ADVANCE	27.14	22.09
3 DEPOSIT WITH CENTRAL EXCISE FOR CESS ON PAPER	0.05	0.05
4 INCOME TAX COLLECTED AT SOURCE	335.42	281.35
5 TCS COLLECTED BY SELLER	6.88	5.17
6 PREPAID EXPENSES	24.92	41.56
7 7(a) SECURITY DEPOSIT WITH MPPKVCL	120.65	168.30
7(b) DEPOSIT WITH CUSTOMS AND OTHER AUTHORITIES	64.74	3.75
LESS: PROVISION FOR BAD & DOUBTFUL DEPOSITS	(4.45)	(4.45)
8 CLAIM RECEIVABLE	850.45	850.45
9 LESS: PROVISION FOR BAD & DOUBTFUL CLA	(13.18)	(13.18)
10 GST RECEIVABLE	3,300.11	3,550.40
11 OTHER ADVANCES		
a) CONSIDERED GOOD	181.90	1,212.56
b) DOUBTFUL	128.38	128.38
LESS: PROVISION FOR DOUBTFUL LOANS &	(128.06)	(128.06)
TOTAL	4,895.38	6,120.27

NOTE NO. 17.1

CLAIM RECEIVABLE INCLUDED RS. 726.73 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 AND COURT CASE IS GOING ON FOR 386.09 LAKHS AND PROVISION IS CREATED FOR REMAINING AMOUNT.

NOTE NO. 18**OTHER CURRENT ASSETS**

PARTICULARS	AMOUNT AS ON	
	31.03.2024	31.03.2023
1 INTEREST ACCRUED ON BANK DEPOSIT	433.42	305.02
2 ACCURED INCOME (O/S RECOVERY OF TOWNSHIP RENT)	315.44	328.55
LESS:PROVISION AGAINST DOUBTFUL RECOVERY	(20.92)	(20.92)
TOTAL	727.94	612.66

NOTE NO.19

REVENUE FROM OPERATION

S.NO	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
A	<u>REVENUE FROM SALE OF PRODUCTS</u>		
	SALE OF NEWSPRINT	10,854.96	803.31
	SALE OF PETROL, DIESEL & LUBRICANTS, EXTRA PREMIUM PETROL	1,391.38	1,627.71
	TOTAL (A)	12,246.34	2,431.02
B	<u>OTHER OPERATING REVENUES</u>		
	SALE OF COAL CINDER	41.46	77.45
	SALE OF SCRAP	134.39	190.86
	SALE OF PRODUCTION & WATSE SLUDGE	36.43	17.83
	TOTAL (B)	212.27	286.15
	TOTAL (A+B)	12,458.61	2,717.17

NOTE NO. 20

OTHER INCOME

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
1	INCOME OF WATER SUPPLY	97.12	90.62
2	INTEREST EARNED	494.23	786.05
3	INCOME FROM TOWNSHIP	219.68	224.86
4	RECEIPTS FROM MEDICAL DEPARTMENT	18.85	15.60
6	PROVISIONS FOR LIABILITIES WRITTEN BACK	-	-
7	PENALTY COMPENSATION	38.81	152.84
8	OTHER NON OPERATING INCOME	43.89	81.57
		912.57	1,351.55

NOTE NO. 21

COST OF MATERIALS CONSUMED

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
	COST OF MATERIALS CONSUMED	7,769.37	2,875.24
	TOTAL	7,769.37	2,875.24

NOTE NO. 22

PURCHASE OF STOCK-IN-TRADE

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
	PURCHASE OF PETROL, DIESEL & LUBRICANTS	1,372.55	1,607.73
	TOTAL	1,372.55	1,607.73

NOTE NO. 23

CHANGES IN THE INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
A	INVENTORIES AT THE END OF THE YEAR		
a	MANUFACTURING GOODS		
1	COAL CINDER	152.65	191.30
2	FINISHED GOODS	1,394.24	2,478.94
3	PRODUCTION WASTE & SCRAP	59.43	56.93
b	TRADING GOODS		
1	EXTRA PREMIUM PETROL(XP)	15.93	16.68
2	PETROL	10.64	15.77
3	DIESEL	15.30	11.70
4	LUBRICANTS	1.25	2.65
	TOTAL (A)	1,649.43	2,773.96
B	INVENTORIES AT THE BEGINNING OF THE YEAR		
a	MANUFACTURING GOODS		
1	COAL CINDER	191.30	179.40
2	FINISHED GOODS	2,478.94	-
3	PRODUCTION WASTE & SCRAP	56.93	
b	TRADING GOODS		
1	EXTRA PREMIUM PETROL(XP)	16.68	11.78
2	PETROL	15.77	11.15
3	DIESEL	11.70	11.49
4	LUBRICANTS	2.65	0.79
	TOTAL (B)	2,773.96	214.61
	NET (INCREASE)/ DECREASE (B-A)	1,124.53	(2,559.35)

NOTE NO. 24

EMPLOYEES BENEFIT EXPENSES

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
1	SALARIES, WAGES AND ALLOWANCES	1,973.90	2,029.68
2	CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	230.13	230.26
3	GRATUITY	(1,233.48)	461.64
4	LEAVE ENCASHMENT	174.96	238.37
5	STAFF WELFARE EXPENSES	61.79	58.53
6	REIMBURSEMENT OF MEDICAL EXPENSES	73.02	79.23
	TOTAL	1,280.32	3,097.71

NOTE 24.1

REIMBURSEMENT OF MEDICAL EXP

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
1	REIMBURSEMENT OF MEDICAL EXPENSES TO EMPLOYEES	26.98	27.02
2	REIMBURSEMENT OF OUTSIDE MEDICAL CLAIM	37.79	38.44
3	REIMBURSEMENT OF MEDICAL EXPENSES TO CASUAL/ BADLI	7.70	9.06
4	REIMBURSEMENT OF LOCAL BILL TO CONTRACTUAL EMPLOYEES	0.55	4.71
	TOTAL	73.02	79.23

NOTE NO. 25**FINANCE COST**

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
1	INTEREST ON GOVERNMENT LOAN	5,201.45	4,858.78
2	INTEREST ON BANK LOAN	52.96	0.00
3	BANK CHARGES	3.05	8.68
4	DAMAGES PAID ON PENSION	-	0.02
	TOTAL	5,257.47	4,867.48

NOTE NO. 25.1

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

NOTE NO.26**OTHER EXPENSES**

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
1	STORES & SPARES CONSUMED	177.65	67.47
2	CHEMICALS CONSUMED	496.59	169.64
3	POWER & FUEL	4,234.49	2,209.47
4	INSURANCE	41.66	42.99
5	SECURITY STAFF EXP	110.03	79.49
6	LEGAL AND PROFESSIONAL CHARGES	116.79	96.81
7	PAYMENT TO AUDITORS	2.79	3.38
8	RATES & TAXES	7.94	8.04
9	REPAIR & MAINTENANCE	232.90	104.52
10	HIRE CHARGES OF VEHICLES	34.44	38.88
11	RESEARCH AND DEVELOPMENT EXP.	1.70	6.77
12	ELECTRICITY CHARGES	11.75	11.57
13	FACTORY OFFICE GEN EXPENSES	115.59	71.01
14	LIGHTNING AND SANITATION	9.59	3.44
15	LOSS ON SALE OF ASSETS	-	-
16	COMMISSION ON SALES	3.51	4.29
17	FREIGHT AND LOADING CHARGES	2.80	-
18	CONFERENCE EXPENSES	6.50	0.67
19	SOCIAL & CULTURAL EXP	7.52	38.00
20	PROVISION FOR COAL PENALTY FOR NON LIFTING OF COAL	270.00	-
21	PROVISION FOR CLAIM RECEIVABLE FROM PF DEPARTMENT	340.64	-
22	PROVISION FOR PROVIDENT FUND PENALTY	249.46	-
23	PROVISION FOR DISCARDED ASSETS	96.21	-
24	PROVISION FOR RECEIVABLE FROM NAGAR PALIKA NEPANAGAR	220.49	-
25	PROVISION FOR LONG OUTSTANDING DEPOSITS	49.14	-
26	OVERHEAD EXPENSES FOR HANDLING STORES	187.03	22.99
27	GST PAID ON REVERSAL OF ITC	94.16	-
28	CONSMN OF IND STRS FOR E T PLANT	40.74	-
29	FACTORY CLEANING EXP	19.98	12.20
30	MISCELLENEOUS EXPENSES (BELOW 1% OF TURNOVER)	182.81	159.82
	TOTAL	7,364.89	3,151.46

NOTE 26.1**PAYMENT TO STATUTORY AUDITOR**

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
1	STATUTORY AUDIT FEES	1.75	1.75
2	REIMBURSEMENT OF EXPENSES	0.50	1.06
3	TAX AUDIT FEES	0.25	0.25
4	COST AUDITOR FEES	0.29	0.32
	TOTAL	2.79	3.06

NOTE 26.2**REPAIR & MAINTANANCE**

S.NO.	PARTICULARS	Period ended on 31st March 2024	Period ended on 31st March 2023
1	PLANT & MACHINERY	144.72	42.60
2	BUILDINGS	36.29	54.25
3	OTHER ASSETS	51.89	7.68
	TOTAL	232.90	104.52

NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2024**27. Board for Industrial and Financial Reconstruction (BIFR) Implementation Status**

- 27.1. Company was registered with BIFR in 1998 vide case no. 502/1998. BIFR had directed the Operating Agency (OA) i.e., State Bank of India (SBI) to formulate a Detailed Rehabilitation Scheme (DRS) for NEPA Limited.
- 27.2. The Union Cabinet gave its approval of a total package of 1,02,596 Lakhs on 6th September 2012 vide Department of Heavy Industries (DHI) Letter no. 7(8)/2009-PE-VII dated 25th September 2012 for revival of NEPA Limited. The Revival Scheme was sanctioned by the BIFR, and final Summary Record of Proceedings were issued on 04.03.2014.
- 27.3. Clause 18.7 of the final Summary Record of Proceedings read as "The Company's request to convert Government of India loan of ₹ 23,101 Lakhs and Rs. 2,884 Lakhs dues of Government of Madhya Pradesh & its corporations as agreed by them into equity and infusion of fresh equity of ₹ 15,700 Lakhs to meet part finance of total capital expenditure of ₹ 28,500 Lakhs for Revival & Mill Development Plan (RMDP) and thereafter to de-rate the equity workout after taking consideration Government of Madhya Pradesh dues also."
- 27.4. Further, vide letter number F/5/2002/10-3 dated 25/02/2012, Government of Madhya Pradesh had also given in principle approval for conversion of Government of Madhya Pradesh dues of ₹ 2,884 Lakhs consisting of Electricity Charges payable to M/s MPPKVVCL, Electricity Duty dues and Commercial Tax & Entry Tax dues into equity. Final approval of Government of Madhya Pradesh for conversion of the said dues of ₹ 2,884 Lakhs into equity capital of the Nepa Ltd at the face value Rs. 10/- each in the name of the Governor of MP was received vide Order dated 7th April 2015. Further, DHI vide letter No. 7(13)/2013-PE-VII dated 8th August 2016 also gave approval for conversion of Government of Madhya Pradesh dues of Rs. 2,884 Lakhs into Equity Share of Nepa Limited.
- 27.5. As per the Draft Rehabilitation Scheme (DRS) for revival of the company Government of India has released fresh equity infusion of ₹ 15,700 Lakhs in four installments i.e. ₹ 810 Lakhs on 27.03.2014, ₹ 5,000 Lakhs on 26.12.2014, ₹ 5,099 Lakhs on 23.10.2015 and ₹ 4,791 Lakhs on 31.03.2016.
- 27.6. 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.
- 27.7. A revised RMDP package amounting to ₹ 46,941 Lakhs has been sanctioned by Government of India (GOI)/ Cabinet Committee on Economic Affairs (CCEA) on 3 October, 2018.
- 27.8. As per budgetary support to NEPA Ltd for Revival Mill Development Plan the Government of India, Ministry of Heavy Industries & Public Enterprises, Department of Heavy Industry, vide their letter No. 7(12)/2014-PE-VII dated 12th October 2018 have directed for infusion of additional equity of ₹ 27,700 Lakhs for revised cost estimates of Revival Mill Development Plan to be issued as Equity shares to Government of India and 9,083

- Lakhs for VRS (Voluntary Retirement Scheme) to be issued as 7% non-cumulative preference shares to Government of India.
- 27.9. BIFR vide its order dated 04.03.2014 had approved the reduction in the paid-up share capital, from 10/- per share to 5/- per share, as a part of the Rehabilitation Scheme. In 391st Board Meeting of NEPA Ltd held on 18.06.2019 at Mantralaya Bhopal approval was given for conducting postal ballot for taking shareholder approval for De-rating of Existing Equity Share Capital from Rs. 52,466.95 Lakhs to ₹ 26,233.48 Lakhs.
- 27.10. During financial year 2021-22 the Government of India vide letter no. 7(12)/2014-PE-7/CPSE-III Dated 13.10.2021 has released a sum of ₹ 7,841 Lakhs for implementation of RMDP and ₹ 3163 lakh for payment of Salary, wages and other statutory dues RMDP Fund is released in the following tranches
- ₹ 3,000 Lakhs dated 29th October 2021
 - ₹ 2,347 Lakhs dated 29th December 2021
 - ₹ 635 Lakhs dated 21st March 2022
 - ₹ 1,859 Lakhs dated 21st March 2022
28. **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:
29. **Ministry of Heavy Industries, Government of India**
- Sanction of conversion of Government of India (GOI) loan of Rs. 23,101 Lakhs was received and accordingly shares have been allotted to GOI in earlier years.
 - Waiver of Statutory dues to Central Government Authorities amounting to Rs. 1,338 Lakhs.
 - Waiver of penal interest on GOI loan of Rs. 24,183 Lakhs with freezing from 01.04.2012.
 - Waiver of interest accrued but not due on GOI loan of Rs. 2,094 Lakhs with freezing from 01.04.2012.
 - Waiver of normal interest on GOI loan of Rs. 9,243 Lakhs with freezing from 01.04.2012.
 - The Company has issued 7% Non-Cumulative Preference Shares to Government of India as under: -
 - 6,00,000 7% Non-Cumulative Preference Shares amounting to Rs. 6,000 Lakhs upto 31.03.2019.
 - 1,65,400 7% Non-Cumulative Preference Shares amounting to Rs. 1,654 Lakhs allotted in the F.Y. 2019-20.
 - Further 3,00,000 7% Non-Cumulative Preference Shares are pending for allotment as on 31.03.2023.

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

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

29.2. **Ministry of Environment & Forest, Government of India**

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

Total land measuring 1199.32 acres is available with Nepa Ltd in Nepanagar out of which 849.90 Acre is leased Land and remaining 349.42 Acre is revenue land.

Nepa Ltd Residential Colony consisting of 2088 no. of Quarters out of which 278 were occupied by the employees, 803 by Ex-employees, and 849 by the outsiders and rest were in either damaged condition or vacant further total 1070196 sq. ft. of area has been under encroachment.

29.3. **The Registrar of Companies, Gwalior**

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

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

29.4. **The Customs and Excise Department**

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

29.5. **Government of M.P.**

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

30. **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 Lakhs)

	Government of India interest and penal interest	Government of Madhya Pradesh Misc dues	Government of Madhya Pradesh Conversion tax dues to equity	Conversion of loan to equity
Amount as per Projection approved by	347	3,535	2,884	23,101

BIFR				
Less: Estimation error in revival scheme	-	-	49	-
Less: Amount disclosed in contingent liability	-	1,914	-	-
Amount as per books (Liability)	-	1,621	2,835	-
Amount as per books (Converted to Equity)	-	-	-	23,101
Amount accounted as waiver of Interest and Penal Interest	347	-	-	-

31. The Authorized capital of the company is: -
- Rs. 6,49,17 Lakhs divided into 1,29,83,40,000 Equity Shares of Rs.5/- Each and
 - Rs. 15,083 Lakhs divided into 15,08,300 7% Non-Cumulative Preference Shares of Rs.1,000/- each.
32. **Property, Plant and Equipment under Renovation and Impairment**
- 32.1. 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.
- 32.2. The Revival Mill Development Plan (RMDP) as approved by Board for Industrial and Financial Reconstruction was Implemented. The company had received necessary approvals from the Government of India and Government of Madhya Pradesh. As against the carrying cost of Property, Plant & Equipment of Rs.37162.61 Lakhs (Previous year Rs. 38,607.31 Lakhs) the Capital Work in Progress on account of the RMDP is Rs. 525.37 Lakhs (Previous Rs. 475.26 Lakhs). The management is of the opinion that post the implementation of said plan, the company as a whole taken as a "Cash Generating Unit", the value in use will be higher than the carrying cost of the Property, Plant & Equipment. Hence, the management believes that no impairment provision is necessary.
- 32.3. The RMDP plan stands completed on 22.08.2022.
33. 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 31.03.2024 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. Changes in Present value of Benefit Obligation (Rs in Lakhs)		
	2023-24	2022-23
Present Value of Benefit obligations as at beginning of year	1582.36	1675.17
Current Service Cost	50.37	58.86
Interest Cost	112.34	123.96
Benefits Paid	(353.78)	(279.38)
Actuarial (Gain)/Loss	3.55	3.74
Present value of Benefit obligations as at end of the year	1394.86	1582.36

II. Bifurcation of Present Value of Benefit obligation		
	2023-24	2022-23
Current (Amount due within one year)	339.25	379.96
Non-Current (Amount due after one year)	1055.61	1202.39
Total	1394.86	1582.36

III. Changes in Fair Value of Plan Assets (Rs. In Lakhs)		
	2023-24	2022-23
Fair value of plan assets at beginning of year	1344.10	1085.97
Expected return on plan assets	82.87	86.19
Company Contributions	-	436.96
Benefits Paid	(353.78)	(279.38)
Actuarial (Gain)/Loss on Plan assets	1.14	14.36
Fair value of plan assets at the end of year	1074.34	1344.10

VI. Amounts recognized in Balance Sheet and Statement of Profit & Loss (Rs. Lakhs)		
	2023-24	2022-23
Present value of Benefit obligations as at the end of year	1394.86	1582.36
Fair value of plan assets as at the end of the year	1074.34	1344.10
Net liability/(asset) recognized in balance sheet	320.52	238.25

	2023-24	2022-23
Current Service cost	50.37	58.86
Interest Cost	112.34	123.96
Expected return on plan assets	(82.87)	(86.19)
Net Actuarial (gain) / loss recognized in the year	2.41	(10.61)
Expenses recognized in Statement of Profit and Loss	82.26	86.02

As per books of accounts the present value of obligation of gratuity amounting to Rs. 616.72 Lakhs (Previous year Rs 1910.97 lakhs) is recognized after reducing fair value of plan assets on the same.

The Management has decided to reverse the excess provision already created in books as a result there is write back of Rs.1294.25 lakhs. Thus loss as reduced by 1294.25 lakhs due to change in the accounting policy.

The net obligation after adjusting fair value of plan assets is Rs. 320.52 Lakhs (Previous year Rs 238.25 Lakhs) as per the actuarial report obtained by the company for its regular/permanent employee. The obligation for casual and badli workers works out to Rs.296.20 Lacs. Total provision against gratuity obligation is created for Rs.616.72 Lakhs (Previous year Rs 1910.97 Lakhs) in the Balance Sheet.

As per the observation of CAG, Rs.339.25 Lacs has been shown as current and Rs.277.47 Lacs shown as noncurrent. Consequent upon this last year figure has been recast.

Classification of Leave encashment provision is done based on report of Actuarial Valuation.

34. Employee related payments

- (a) An amount of Rs 10,158 Lakhs has been sanctioned vide CCEA decision dated 03.10.2018 towards salary/wages and statutory dues related to employees out of which Rs. 3,825 Lakhs has been received in Financial Year 2019-20 (including 394 Lakhs for payment of Electricity Bill) and Rs.6,331 Lakhs has been received during the year 2020-21. Company has paid premium to LIC 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. In the year 2021-22 an amount of Rs. 3,163 Lakhs has been received from GOI against salary/wages and statutory dues.
- (b) Company has made a provision of Rs. 795.57 Lakhs during the current year (previous year Rs. 786.18 Lakhs) for leave encashment liability towards employees. The liability as per the certificate of actuary obtained by the company is Rs. 795.57 Lakhs.

35. SEGMENT REPORTING

The company is engaged mainly in the business of manufacturing newsprint and going to diversify into manufacturing of writing and printing paper. To cater to the needs of the Company, its staff and general public, the Company has been operating a petrol pump within the city limits of NEPA Nagar. This is an incidental activity. No information is reported to Board of Directors for the purpose of evaluating the unit's performance. The revenue from petrol/diesel is more than 10% of total revenue generated by Nepa Limited. Looking at the above facts in compliance of AS-17 Segment Reporting the company has disclosed revenue from petrol/diesel as a separate reportable segment. Details of reportable segment as follows: -

(Rs. In Lacs)

SEGMENT REPORTING AS PER ACCOUNTING STANDARD 17			
Particular	Newsprint Paper	Trading of Petrol Diesel & Lubricant	Total
1. Segment Revenue			
a) External Sales	11067.23	1391.38	12458.61
b) Inter Segment Sales	0	0	0
Total Revenue	11067.23	1391.38	12458.61
Total Revenue from Operation	11067.23	1391.38	12458.61
2. Segment Results			
a) Profit/(Loss) after income tax	(12682.39)	6.26	(12676.13)
3. Segment Assets	37161.40	1.21	37162.61
4. Segment Liabilities	63258.68	0	63258.68

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

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

(A) List of Related Parties:

Key management personal (KMP) & Other Related parties

S. No	Name of the Related Party	Relationship
1	Shri Rakesh Kumar Chokhani	Chairman cum Managing Director (w.e.f 26.03.2024)
2.	Sh. Pradeep Kr. Naik	Director (Finance)/ / (Addl. Charge) (w.e.f. 02.05.2019)
3	Cmde Saurav Deb	Ceased from Directorship of the company (w.e.f. 26.03.2024)
4	Mrs. Purnima Parashar	Ceased from company secretary (w.e.f. 15.01.2024)
5	Mrs. Nidhi Mishra	Company Secretary (w.e.f 15.01.2024)
6	Shri C. N. Verma	Ceased from Chief Financial Officer (w.e.f. 15.01.2024)
7	Shri Vikas Reddy	Chief Financial Officer (w.e.f 15.01.2024)

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

(Amount in Rs. Lakhs)

Sr. No.	Nature of Transaction	2023-24	2022-23
1	Remuneration		
	1. Cmde Saurav Deb	36.43	33.98
	2. Mrs. Purnima Parashar	10.44	9.98
	3. Mrs. Nidhi Mishra	1.43	0
	4. Shri CN Verma	10.28	10.16
	5. Shri Vikas Reddy	8.14	5.83
2	Travelling Exp.		
	1. Cmde Saurav Deb	1.79	3.68
	2. Sh. P.K. Naik	3.36	0.23
	3. Mrs. Purnima Parashar	0.69	1.15
	4. Sh. C. N Verma	0.07	0.01
	5. Sh. Vikas Reddy	0.68	0.06
3	Board Meeting Sitting Fees		
	Shri Milind Kanade (Independent Director)	0.19	0

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."

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

(In Lakhs)

	Particulars	2023-24	2022-23
i.	Net Profit / (Loss) for calculating basic / diluted EPS in (Rs. Lakhs)	(12676.13)	(10,579.60)
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).	12354.90	12354.90

iii.	Nominal Value of Share (Rs.)	5	5
iv.	Basic EPS (Rs.)	(1.03)	(0.86)
v.	Weighted Average Number of equity Shares for Diluted EPS.	NIL	NIL
vi.	Diluted EPS (Rs.)	(1.03)	(0.86)

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 in the previous year. Hence, Share Application Money Pending for allotment are not considered being anti-dilutive in nature in calculation of dilutive earnings per share for FY 2023-24.

38. **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 accounts in the absence of virtual certainty of future profits.

39. **Contingent Assets/ Liabilities and Capital Commitments**

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

39.2. **CONTINGENT LIABILITIES**

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

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

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

The company approached for extension as upgradation was not possible within six months. NGT, however, was not satisfied with the progress made by the 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. Applicants 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 proponents would be liable to pay more environmental compensation.

In view of closure of the plant for up gradation company is making best efforts for early up

gradation of the plant. The management is of the view that compensation will not be imposed by NGT in view of the facts & circumstances of the case.

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

c) Disputed claims/Levies in respect of:

- I. The 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 31.03.2024 is Rs. 5641.28 Lakhs (Previous year Rs. 5319.69 Lakhs).
Apart from the above cases, three individuals have filed cases against the company related to service matters and the total claim amount is Rs. 0.56 Lakhs.
- II. Case filed by of piece rated workers of Sales Godown is pending in the Hon'ble High Court, Indore, Bench. Representative Union also filed an application before the Hon'ble High Court to make all the piece rated & Badli workers as intervener. The High Court, Indore passed a proceeding order to make them intervener. The case is still pending before the Hon'ble High Court, Indore. Claim against the company not acknowledged as debt (excluding Badli workers as per "I" above) as on 31.03.2024 is Rs.3502.75 Lakhs approximately (Previous year Rs. 3287.02 Lakhs).
- III. Estimated liability of Rs.44.32 Lakhs (Previous year Rs. 44.32 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 under Consideration for waiver 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. 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 at Jabalpur High Court. Measurement survey of three hundred acres land is also in progress before handing over 300 acres of forest land. Estimated amount including Interest is Rs. 222.74 Lakhs on this account.
- V. Contingent liability of Rs. 312.45 Lakhs (previous year Rs. 348.22 Lakhs) towards maintenance and salaries for Level Crossing of Neapanagar at KMs 176A/523/25-27 for the F.Y. (12-13 to 16-17). As per audit Para raised by the CAG earlier, the company is not liable for the said amount because the said level crossing is also being used by the 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.

- VI. 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 the absence of documentary proof and records, a reliable estimate of the obligation, if any, cannot be made.
- VII. Company has availed EPCG Scheme for import of capital plant & machinery. As on 31.03.2024, custom duty of Rs. 2,620 Lakhs (Previous Year Rs. 2620.00 Lakhs) have been saved, against which there is an Export Commitment of Rs. 15,721 Lakhs. (Previous Year 15721 Lakhs). The company has requested DGFT to consider waiver through its administrative ministry.
- VIII. Claim receivable included Rs. 726.73 lakhs due from employee provident fund Organization 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 and court case is going on for Rs.386.09 lakhs and provision is created for remaining amount.

B) Guarantees

Bank Guarantee issued by Banks are outstanding by Rs 481.11 Lakh (Previous year Rs. 472.60 Lakhs).

C) Others

- I. Appeal for which no provision is considered required as the company is hopeful of successful outcome in the appeals. There are uncertainties about the amount or timing of those outflows as it depends on completion of the appellate process. There is no assumption made and the amount is based on demand raised by the Departments.

Name of the Statute	Period to which Dispute Relates	Amount Disputed (Rs. In Lakhs)	Forum where the dispute is pending
Entry Tax	2008-09	4.49	M.P. Commercial Tax Appellate Board, Indore
VAT Tax	2009-10	75.65	M.P. Commercial Tax Appellate Board
Entry Tax	2009-10	7.16	M.P. Commercial Tax Appellate Board
VAT Tax	2010-11	10.42	M.P. Commercial Tax Appellate Board
Mandi Tax	1998	35.95	M P High Court, Jabalpur
Property Tax and Interest thereon	2011-12 to 2023-24	222.74	M.P. High Court, Jabalpur Bench
GST	2017 to 2020	540.55	Appellate Authority Indore
GST	2017 to 2020	867.49	Appellate Authority Indore

II. TDS Defaults of Rs. 0.47 Lakhs

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

III. The following outstanding demand of Rs. 46.76 Lakhs Previous year (Rs. 90.04 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:

Sr. No.	Assessment Year	Demand under Section 156 (in lakhs)	Related to
1	2017-18	46.76	Outstanding Interest
	TOTAL	46.76	

39.3. **CAPITAL COMMITMENT (NET OF ADVANCE)**

- (a) Estimated amount of contracts remaining to be executed on capital account is Rs.413.87 Lakhs (Previous year Rs. 356.94 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. 50820.13 lakhs (Previous year Rs. 50884.05 Lakhs). The Company has paid an amount for supplies/advances/services to the tune of Rs. 46463.92 Lakhs (Previous year Rs. 45748.69 Lakhs) 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. 43,400 Lakhs (Net of EPCG benefits of Rs. 2,400 Lakhs) Bankers are insisting on Government Guarantee for sanctioning of project loan. Since the current policy of GOI is not to provide guarantee, the Government of India was requested to fund the revised cost estimates on account of cost escalation (Rs. 14,900 Lakhs) as well as the component of Rs. 12,800 Lakhs that was initially to be funded through bank loan. A revised support package has been sanctioned by the Government of India/CCEA on 03 October 2018 and Further Additional fund of Rs. 11004 Lakh was sanctioned in 13.10.2021 as follows:

(Rs. In Lakhs)		
S.no	Particulars	Amount
1.	Infusion of additional equity towards financing the Revised Cost estimate - of RMDP including Rs 12,800 Lakhs as equity funding in lieu of bank loan.	Rs. 27,700
2.	Sanction of loan towards funds required for payment of Salary and wages and statutory dues of employees	Rs.10,158
3.	Sanction of fund in the form of 7% non-cumulative preference shares towards funding of voluntary Retirement Scheme	Rs.9,083
4.	Additional infusion of Equity towards financing revised cost estimate of RMDP	Rs. 7841
5.	Additional Sanction of loan towards funds required for payment of Salary and wages and statutory dues of employees	Rs. 3163
	Total	Rs.57945
	Out of this following installments have been received.	Rs. 35541

	For RMDP project:- (i) Rs. 3,300 Lakhs (2018-19) ii) Rs. 15,105 Lakhs (2019-20) iii) Rs. 9,295 Lakhs (2020-21) iv) Rs. 7841 Lakh (2021-22)	
	For Payment of Salary & Wages	Rs. 13321
	For Payment of VRS	Rs. 4,654

40. The execution of our revival plan encountered unforeseen challenges, resulting in a significant increase in costs. Despite our stringent financial management, the company exhausted all allocated funds by the project's completion. Consequently, although our plant is fully set up and operationally ready, we currently lack the necessary working capital to commence full-scale production.

In response to this financial constraint, we are actively exploring several strategic options to secure the needed funds and ensure the plant's operational viability:

- a) **Financial Reorganization:** We are considering a comprehensive financial restructuring to optimize our existing resources and improve liquidity. Also includes recovering as much money possible from other sources.
- b) **Government Engagement:** : We are in continuous discussions with government authorities to expedite to provide additional fund as equity for working capital and waive off liabilities.
- c) **GST Credit:** The company has accumulated GST credit amounting to ₹30 crore.
- d) **Vendor Negotiations:** We are negotiating extended credit terms with our vendors to facilitate the procurement of essential materials and services required for production.
- e) **Revenue Optimization:** We have streamlined our revenue collection processes, particularly concerning property like lease premium/lease rent and other miscellaneous revenues so enhance the incoming cash.
- f) **Order Fulfillment:** We have secured orders worth ₹40 to ₹50 crore, reflecting a robust demand for our products. However, the plant has only been operating at 23% of its capacity due to the lack of working capital.
- g) **Stock Liquidation:** We are in the process of disposing of stock manufactured during trial runs, which is not readily marketable. This initiative aims to free up some working capital.
- h) **Conversion of Government Loan into Equity:** we are actively engaging with central government and ministry to convert loans into equity which shall further ease our interest burden.
- i) **VRS:** As a part of VRS package, many employees have opted for retirement which has already reduced the monthly salary burden.

We are diligently working to overcome these financial challenges and bring the plant to its full operational capacity. We are sure that with the initiative as above, the company will come out of its financial struggle shortly and will continue to manufacture, encash and pay their employees in time. Therefore, management is Confidence about going concern status.

41. **SUNDRY DEBTORS**

a) 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.

b) Out of Receivable from Nagar Palika Neapanagar of Rs. 60458414 as on 31.03.2024, The provision is created for Rs. 22049195 of amounting outstanding for more than 3 years based on conservative approach.

Foreign Exchange Transactions:

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

Sr. No.	Particulars	2023-24	2022-23
1	For RMDP (Incl. advance)	0	0
	Total	0	0

b) Income in foreign currency Rs 0.00 Lakhs (Previous year- Rs. Nil).

c) CIF value of Imports.

(Rs. In Lakhs)

Sr. No	PARTICULARS	2023-24	2022-23
1	Raw Materials	NIL	NIL
2	Capital Goods under RMDP	NIL	NIL
	TOTAL	NIL	NIL

42. **Supplementary Information**

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

(Amount in Rs. Lakhs)

Sr. No.	PARTICULARS	Raw Materials		Stores & Spares	
		2023-24	2022-23	2023-24	2022-23
1	Imported	NIL	NIL	NIL	NIL
2	Indigenous	7769.37	2875.24	177.65	67.47

43. **Status of Secretarial Compliances**

- 43.1. Directors on the Board of Company are appointed by Government of India (GOI). Tenure of Smt. Kalpana Shrivastava was completed in Feb 2022 and tenure of Smt. Kamlawati Singh was completed in Feb 2023 after vacancy of Independent Directors on the Board. Mr. Milind Sharadchandra Kanade was appointed as Independent Director on 05.06.2023 by GOI. Further appointment of 1 more Independent Director on the Board of NEPA Ltd is Pending from GOI.
- 43.2. Company had issued shares to President of India and Governor of Madhya Pradesh during the period 17-02-2016 to 30-08-2016 and in 2019-20 and 2020-21 Company has applied for waiver of Stamp Duty from the Competent Authority in 2019, 2021, 2022 and 2023. The final decision in the matter has not been made till completion of audit for Financial Year 2023-24.
- 43.3. Charge Satisfaction Form was already filled for borrowings by the company in earlier years but charges were not removed from ROC Charge Index Register and filed copies of forms are not available with the Company as physical forms were submitted at that time instead of online filling.
- 43.4. The cost records have been maintained by the Company. Cost Auditors were appointed for FY 23-24 by the Company.

44. **Additional Regulatory Information**

- a. The title deeds of free hold land are in the name of the Company.
- b. The Company has not revalued its Property, Plant and Equipment during the year.
- c. The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMP's and related parties as defined in the Companies Act, 2013, either severally or jointly with any other person that are: -
 - I. Repayable on demand or,
 - II. Without specifying the any terms or period of repayment.
- d. The Company has Revival Mill Development Plan appearing as Capital work in Progress the details are as follows: -

	Amount in CWIP for a period of (Amount ₹ in lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	525.37	-	-	-	525.37

- e. The Company have Intangible Assets under Development.

Intangible Asset Under Development	Amount in Intangible asset under development for a period of (Amount ₹ in lakhs)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
ERP Software	-	4.70	-	-	4.70

- f. No proceedings have been initiated or pending against Company for holding any Benami Property under Prohibitions of Benami Transactions Act,1988 (Earlier titled as Benami Transactions (Prohibitions) Act,1988).
- g. The Company has Overdraft against FDR amounting to Rs.1650.09 Lacs from Bank of India. Company is not required to file quarterly return or statement of current asset with Bank.
- h. The Company has not been declared as willful defaulter.
- i. The Company has no transaction with Companies which are stuck off under section 248 of the Companies Act,2013.
- j. Charges pending for satisfaction with ROC

Description	Location of ROC	Reason for Delay
Charge ID 90204427 Creation Date: 21/03/1964 Amount: Rs.0.96 Lakh Party Name: THE CHAIRMAN MADHYA PRADESH HOUSING BOARD	ROC Gwalior	As the charge is very old as per Charge registered charge satisfaction form is filled via hard copy but during migration of MCA Portal In 2006 it was not updated and still showing as open Charge

Charge ID 90204446 Creation Date: 21/03/1964 Amount: Rs.125.00 Lakh Party name: M. P. ELECTRICITY BOARD 18/09/1978	ROC Gwalior	As the charge is very old as per Charge registered charge satisfaction form is filled via hard copy but during migration of MCA Portal In 2006 it was not updated and still showing as open Charge
Charge ID 90207971 Creation Date: 17/03/1997 Amount: Rs.3580.00 Lakh Sanction by: SBI	ROC Gwalior	Charge satisfaction form already filled but incorrect SRN vide Charge ID 90207971 showing in MCA Master Data information already given to ROC but till date rectification not done

- k. The Company does not have layers as prescribed under clause (87) of section 2 of The Companies Act, 2013 read with the Companies (Restriction on Number of Layers Rules, 2017). The company does not have any Subsidiary, Associate or Joint Venture.

l. Financial Ratios

Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
Current Ratio	Current Asset	Current Liabilities	0.28	0.44	-36.81%	Due to increase in current maturity of long term debt
Debt-Equity Ratio	Total Debt (long Term + Short Term)	Shareholders' Equity	-1.84	-15.35	-87.99%	Due to increase in borrowings, and losses in the current financial year
Debt Service Coverage Ratio	Earnings available for debt services	Interest & Lease Payments + Principal Repayments	-0.21	-0.18	-15.13%	Due to increase in borrowings, interest and losses in the current financial year
Return on Equity Ratio	Net Profit after taxes - Preference dividend	Average Shareholder's Equity	-0.20	-0.17	-19.82%	Due to losses.
Inventory turnover ratio	Sales	Average Inventory	3.94	1.23	219.17%	Due to increase in Sales & closing stock of inventory.
Trade Receivables turnover ratio	Net Sales	Average Accounts Receivable	24.74	5.97	314.34%	Due to the increase in Sales & closing value of Trade Receivables.

Trade payables turnover ratio	Net Credit Purchases	Average Accounts Payables	3.82	2.54	49.91%	Due to the increase in the Purchase & closing value of Trade Payables.
Net capital turnover ratio	Net Sales	Working Capital	-0.29	-0.10	-190.80%	Due to increase in borrowings, Interest cost and losses in the current financial year
Net profit ratio	Net Profit after tax	Net Sales	-1.01	-3.89	-73.88%	Due to increase in losses.
Return on Capital employed	Earnings before interest and taxes (EBIT)	Capital Employed	-1.58	-0.53	- 194.96%	Due to losses.
Return on investment	{MV(T1) – MV(T0) – Sum [C(t)]}	{MV(T0) + Sum [W(t) * C(t)]}		NA		

- m. During the year no Scheme of Arrangement has been formulated by the Company/pending with competent authority.
- n. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding (whether recorded in writing or otherwise) that the intermediary shall,
(1) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or
(2) provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
- B). The Company has not received any fund from any persons or entities including foreign entities (Funding Party) with the understanding that the Company shall.
(1) directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company (Ultimate Beneficiaries) or
(2) provide any guarantee, security, or the like on behalf of the Ultimate Beneficiaries.
- o. The Company does not have transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the Tax Assessments under the Income Tax Act, 1961
- p. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- q. The Company is not required to incur any expenditure towards Corporate Social Responsibility.

45. Amounts reported in the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement are in Indian rupees rounded off to the nearest Rupees in Lakhs.
46. 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 & on behalf of Board		
For A I Kothari & Associates Chartered Accountants FR NO. 112022W (CA Abhishek Kothari) Partner M. No.: 191911 Place: New Delhi Date: 07.08.2024	RAKESH KUMAR CHOKHANI Chairman-cum-Managing Director (Addl. Charge) DIN: 10590173 (Mrs. Nidhi Mishra) Company Secretary M. No. A53762	PRADEEP KUMAR NAIK Director (Finance) (Addl. Charge) DIN: 08676709 Vikas Reddy (Chief Financial Officer)

कार्यालय महानिदेशक लेखापरीक्षा,
उद्योग एवं कॉर्पोरेट कार्य
ए.जी.सी.आर. भवन, आई.पी. एस्टेट,
नई दिल्ली-110 002



OFFICE OF THE DIRECTOR GENERAL OF AUDIT,
INDUSTRY AND CORPORATE AFFAIRS
A.G.C.R. BUILDING I.P. ESTATE,
NEW DELHI-110 002

संख्या: ए.एम.जी.-III/वार्षिक लेखा/
नेपा लिमिटेड /2023-24/2024-25/239-240
दिनांक: 25 SEP 2024

सेवा में

अध्यक्ष एवं प्रबंध निदेशक,
नेपा लिमिटेड, नेपा नगर,
मध्य प्रदेश- 450 221

विषय: कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2024 को समाप्त वर्ष के लिए
नेपा लिमिटेड के वार्षिक लेखों पर भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

कंपनी अधिनियम 2013 की धारा 143(6) (b) के अंतर्गत 31 मार्च 2024 को समाप्त वर्ष के लिए
नेपा लिमिटेड के वार्षिक लेखों पर उपरोक्त विषय संबंधित संलग्न पत्र अग्रेषित है।

भवदीया,

रुस्तुम पंडा
(एस. आह्लादिनी पंडा)
महानिदेशक लेखा परीक्षा
(उद्योग एवं कॉर्पोरेट कार्य)
नई दिल्ली

संलग्नक:- यथोपरि


**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 2024**

The preparation of financial statements of NEPA Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 07 August 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of NEPA Limited for the year ended 31 March 2024 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to enquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143(6) (b) of the Act.

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


(S. Ahladini Panda)
Director General of Audit
(Industry & Corporate Affairs)
New Delhi

Place: New Delhi

Date: 25 SEP 2024