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आज़ादी का  
अमृत महोत्सव



# NEPA LIMITED

(A Govt. of India Undertaking)

## नेपा लिमिटेड

(भारत सरकार का उपक्रम)

78<sup>th</sup> Annual Report  
78<sup>वाँ</sup> वार्षिक प्रतिवेदन  
2024 - 2025

# Leadership at NEPA LIMITED

## BOARD OF DIRECTORS



**CMDE ARVIND VADHERA, VSM**  
Chairman-cum-Managing Director  
**कमोडोर अरविंद वडेरा, वीएसएम**  
(अध्यक्ष - सह - प्रबंध निदेशक)

वीएसएम



**Dr. RENUKA MISHRA**  
Economic Advisor, MHI (Director)  
**डॉ. रेणुका मिश्रा**  
आर्थिक सलाहकार, भारी उद्योग मंत्रालय  
(निदेशक)



**SHRI ATUL KUMAR MISHRA**  
Secretary Forest (Director)  
**श्री अतुल कुमार मिश्रा**  
सचिव वन (निदेशक)



**CA MILIND S. KANADE**  
Independent Director  
**सी.ए. मिलिंद एस. कनाडे**  
(स्वतंत्र निवेशक)



**SHRI PRADEEP KUMAR NAIK**  
Director (Finance)  
**श्री प्रदीप कुमार नाईक**  
निदेशक(वित्त)

Leadership at **NEPA LIMITED**

## KEY MANAGERIAL PERSONNEL



**SMT. NIDHI MISHRA**  
Company Secretary  
**श्रीमती निधि मिश्रा**  
(कम्पनी सचिव)



**SHRI VIKAS REDDY**  
Chief Financial Officer  
**श्री विकास रेड्डी**  
(मुख्य वित्तीय अधिकारी)

## KEY EXECUTIVES



**SHRI VINIT KUMAR, I.R.S.**  
Chief Vigilance Officer  
**श्री विनीत कुमार, आई. आर. एस.**  
(मुख्य सतर्कता अधिकारी)



**SHRI RAM ALAGESAN**  
Chief General Manager(Technical)  
**श्री राम अलागेसन**  
मुख्य महाप्रबंधक(तकनीकी)



**SHRI SURENDRA KUMAR MEHTA**  
Deputy General Manager(Works & Commercial)  
**श्री सुरेन्द्र कुमार मेहता**  
उप महाप्रबंधक(कार्य एवं वाणिज्य )

## From the Desk of the Chairman

Dear Members,

It is my privilege to welcome you to the 78<sup>th</sup> Annual General Meeting of Nepa Limited. Your presence here today reflects our shared commitment to resilience, innovation and stakeholder value.

With Government backing and the implementation of our Revival and Mill Development Plan, Nepa Limited has undergone modernization during last decade and is



CMDE ARVIND VADHERA, VSM  
CMD, NEPA LIMITED

Despite challenges on account of weak financial health, limited working capital and manpower shortages, we have stayed focused towards moving on to the revival path. In this context, we are pleased to report key initiatives being undertaken to enhance revenue generation and ensure long-term financial stability.

### Revenue Generation Initiatives.

Nepa is exploring to implement a contract manufacturing to ensure continuous runnability at operational efficiency and consequent generation of consistent revenue. The Company is also in the process of executing **price agreements with OEMs** to supply Writing & Printing Paper to Government Departments, hence expanding access to reliable markets.

To diversify revenue, Nepa plans to establish a **bottling plant** under a similar Public Private Partnership model for supplying around 10 lakh bottles per day.

In its **green energy transition aligning with the national objective viz. reducing reliance on fossil fuels and mitigating climate changes**, Nepa is working with **BARC** for a Biomass Conversion Plant and exploring **provision of Solar Plant through** Public Private Partnership model to reduce power costs and dependency on conventional energy.

Additionally, the Company has registered itself with the Ministry of Minorities to set up a **Skill Development Centre** in skilling the local populace to boost youth employability and reinforce its social commitment to inclusive development.

### Employee Engagement

As part of our ongoing commitment towards building a diverse and inclusive workplace, we partnered with State Bank of India and Bank of India for implementation of Corporate Salary Packages for Nepa Employees that includes pecuniary benefits viz. Personal Accident Insurance, Permanent disability cover, Death insurance, Girl Child Marriage Benefit and Child Education Benefit etc. Towards implementation of CGHS rates for NEPA employees, MOUs have been signed with two reputed multi-specialty hospitals and one dental college at Burhanpur for extending economical medical and dental treatment against prevailing higher market rates. Periodic Free Health check-up camps at NEPA hospital in collaboration with Multi-Speciality Hospitals and Dental College is being provided to Employees/ Ex-employees and their families. Further, same has been planned thrice a month i.e. on every 7<sup>th</sup>, 14<sup>th</sup> and 25<sup>th</sup> of the month on regular basis to upkeep healthcare and build motivation.

As part of our commitment to workplace safety for women, Company had also organized a Prevention of Sexual Harassment Awareness Week. Additionally, a vending machine was installed at Company premises for women employee welfare.

**Strategic Vision for the Future**

As we move ahead, we are focused on diversifying our paper product portfolio to include high-demand items such as maplitho and high brightness WPP, while sustaining our leadership in the Newsprint paper segment. We are also focused on operational efficiency, thereby reducing per-unit consumption of steam, power, chemicals and water usage.

**Corporate Governance**

As a Central Public Sector Enterprise (CPSE), Nepa Limited adheres strictly to the Companies Act, 2013 and Corporate Governance Guidelines issued by the Department of Public Enterprises. The appointment of Independent Director by the President of India has brought fresh insights and strengthened transparency, ethical practices and objectivity in decision-making.

**Social Commitment**

Nepa continues to serve as a vital institution in the tribal Nimar region of Madhya Pradesh, not only by providing employment but also by actively contributing to community development. We have successfully organized health camps, blood donation drives, yoga workshops and cultural & social awareness programs that foster wellness and social harmony.

**In Conclusion**

We believe that Nepa Limited is well-positioned to meet emerging market demands and drive value for all stakeholders. With a diversified strategy, strong governance, environmental stewardship and deep-rooted social responsibility, we are confidently paving the way for a stronger and sustainable future.

I extend my sincere appreciation to all our stakeholders—employees, shareholders, customers, Government authorities and the local community for their continued support and trust in our journey.

Let us move forward—together, stronger and more determined than ever.

Thank you.

Yours sincerely,

**(Cmde. Arvind Vadhera, VSM)**  
**Chairman-cum-Managing Director**

## BRIEF PROFILE OF THE COMPANY

NEPA Limited, a pioneering Newsprint Company of India, is centrally located in Nepanagar, 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 Nepanagar, 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.

During the financial year 2024-25 the Company faced significant operational challenges due to financial constraints towards working capital, funds for critical repairs and spares and lack of skilled manpower which adversely impacted production levels at our manufacturing plant. Despite the management's efforts to optimize available resources and control costs, these financial hardships limited the Company's ability to operate at optimal capacity.

To address these financial challenges, the Company has requested funding for working capital, critical repairs, and spares to maintain continuous plant operation at maximum capacity. It is also exploring revenue generation alternatives such as contract manufacturing of core operations, WPP supply to government institutes on a nomination basis, a bottling plant, and disposal of unserviceable items and scrap for a self-sustainable business model.

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

## CORPORATE INFORMATION

## BOARD OF DIRECTORS

Name	Particulars
Cmde Arvind Vadhera, VSM	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 &amp; 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
Cmde Arvind Vadhera, VSM	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

## OFFICES

REGISTERED OFFICE	OTHER OFFICE
Nepanagar, Dist. Burhanpur, Madhya Pradesh- 450221	<b>Delhi Office:</b> D-165, Defence Colony, New Delhi-110024 Shri Gyaneshwar Khairnar, Sr. Manager (P&A) Email: <a href="mailto:nepadelhi@nepamills.nic.in">nepadelhi@nepamills.nic.in</a> Ph: 011-24615894

Auditors	<b>Statutory Auditor:</b> M/s Subhas Chand Jain Anurag & Associates, Chartered Accountants, Indore <b>Secretarial Auditor:</b> Mayuree Halder & Associates, Company Secretaries, Sarni <b>Cost Auditor:</b> M/s Prabha Sharma & Associates, Cost Accountant, Bhopal
Bankers	State Bank of India, Bank of India

To,  
The Members,  
Nepa Limited

NOTICE is hereby given that the 78th Annual General Meeting of the members of Nepa Limited will be held on Saturday, 30<sup>th</sup> August, 2025 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, 2025, 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.

**AS SPECIAL BUSINESS:**

2. To consider and if though fit, to pass with or without modification(s), the following resolution as an 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, 2026 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: 08.08.2025

Place: NEPANAGAR

**Important Notes**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide 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. The forthcoming AGM/EGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM/EGM through VC/OAVM.
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 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/EGM. For this purpose, the Company has entered into an agreement with Purva Share registry (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 EGM/AGM will be provided by Purva.
3. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available 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 EGM/AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM/EGM 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/EGM. 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/EGM 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/EGM has been uploaded on the website of the Company at [www.nepamills.nic.in](http://www.nepamills.nic.in). The AGM/EGM Notice is also disseminated on the website of PURVA (agency for providing the Remote e-Voting facility and e-voting system during the AGM/EGM) i.e. <https://evoting.purvashare.com>.
7. The AGM/EGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. In continuation of this Ministry's **General Circular No. 20/2020**, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

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

- (i) The voting period begins on 27.08.2025, 9:00 AM and ends on 29.08.2025, 5:00 PM. During this period shareholder's of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23.08.2025 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  
Shareholders holding shares in Physical Form should enter Folio Number registered with the Company. For example, if folio number is 001\*\*\* and EVENT is 124 then user ID is 124001\*\*\*
  - 4) If you are a first-time user follow the steps given below:

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

- (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 NEPA Ltd. 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](mailto: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 viz; [www.nepamills.nic.in.](mailto:www.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/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM/ EGM 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/EGM.
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, demat account number/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, demat account number/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/EGM 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 EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/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/RTA.**

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](mailto: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 23<sup>rd</sup> August, 2025.
4. The result on resolutions shall be declared on or before the closing business hours on 02<sup>nd</sup> September, 2025 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 there after 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](http://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](mailto: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](mailto: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.2**

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, 2026.

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: 08.08.2025

Place: NEPANAGAR

FIVE YEAR DIGEST						(₹ In Lakhs)
	2024-25	2023-24	2022-23	2021-22	2020-21	
Production(MT)	6788	23356	6526	0	0	
Revenue from Operation	4636.10	12458.61	2717.17	2069.90	1736.63	
Profit/Loss before interest & Depreciation	(3602.04)	(5540.48)	(4547.69)	(1513.20)	(1604)	
Interest	5647.93	5257.47	4867.48	4394.14	3703.08	
Cash Surplus / Deficit	(9249.97)	(10797.94)	(9415.17)	(5907.34)	(5307.09)	
Depreciation	1888.53	1878.19	1164.43	82.55	83.08	
Net Profit / Loss before prior period items	(11138.50)	(12676.13)	(10135.97)	(5989.89)	(5390.17)	
Equity Share Capital	61778.78	61778.78	61778.78	53937.78	53937.78	
Loan (Excl. Interest)						
Long Term	3930.40	6594.60	9258.80	11923.00	10157	
Short Term	24181.32	19735.49	15421.20	12757.00	400.4	
Net Fixed Assets (Excl. Capital Work-in-Progress)	35359.32	37162.61	38607.31	1426.88	1499.31	
Current Assets	15093.39	16337.71	21253.78	29309.81	25206.43	
Current Liabilities (Incl. unpaid interest on Loans)	68780.73	57922.09	47233.93	40555.23	36196.41	
Working Capital	(53687.34)	(41584.38)	(25980.15)	(11245.42)	(10989.98)	
Capital Employed	(18492.43)	(4689.67)	12627.16	(9818.54)	(9490.67)	
Net Worth	(25422.83)	(14284.27)	(1608.08)**	11971.56	10120.5	
Earnings (Net Profit) to Sale	(2.40)	(1.01)	(3.89)	(2.89)	(3.10)	
Number of Employees	444*	504*	536*	431*	300	

\*Includes Contractual employees

\*\* Net worth excluding share application money pending allotment

EMPLOYEMENT COST SUMMARY							(₹ In Lakhs)
Sr. No.	Particulars	2024-25	2023-24	2022-23	2021-22	2020-21	
A)	SALARY & WAGES TOTAL (A)	1867.38	1905.33	1941.66	1539.59	1557.19	
B)	EMPLOYEES BENEFITS:						
	Provident Fund & Others	204.06	230.13	230.26	186.19	192.88	
	Gratuity**	101.40	(1233.48)	461.64	79.80	707.98	
	Township	63.70	68.58	88.02	100.69	96.34	
	Education	0.00	0.00	0.00	0.00	0	
	Medical	60.90	73.02	79.23	85.57	93.52	
	Other Benefits incl. Leave Travel concession, cultural activities	107.37	236.75	296.90*	66.01	48.11	
	<b>TOTAL (B)</b>	<b>537.43</b>	<b>(625.01)</b>	<b>1156.05</b>	<b>518.25</b>	<b>1138.83</b>	
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	0.00	0	
	Gratuity	0.00	0.00	0.00	0.00	0	
	Leave Encashment	0.00	0.00	0.00	0.00	0	
	<b>TOTAL ©</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	
	<b>TOTAL (A+B+C)</b>	<b>2404.81</b>	<b>1280.32</b>	<b>3097.71</b>	<b>2057.84</b>	<b>2696.02</b>	
	Number of Employees	444	504	536	431	300	
	Average Salaries, Wages etc., per employees per Annum (Rs.)	420581	378041	362250	357213	519063	
	Average Cost of employees benefit per employees per Annum (Rs.)	121042	(124009)	215681	120243	379610	
	Average Employment Cost per employee per Annum (Rs.)	541623	25403	577931	477457	898673	
	*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 78<sup>th</sup> Annual Report of the company for the Financial Year ended 31<sup>st</sup> March 2025 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 2024-25 together with corresponding figures for the Previous Year are given below:

	(₹.in Lacs)	
PARTICULARS	2024-2025	2023-2024
<b>INCOME</b>		
Sales of Newsprint	3161.80	10854.96
Sales of Petrol/Diesel/Lubricant	1281.96	1391.38
Other Operating Income	192.34	212.27
<b>Total Income</b>	<b>4636.10</b>	<b>12458.61</b>
<b>EXPENDITURE</b>		
Raw Materials	1833.39	7769.37
Manufacturing Expenses	2216.79	4908.73
Purchase of Petrol/Diesel/Lubricant	1269.43	1372.55
Change in inventories of Finished Goods/Stock	580.61	1124.53
Employee Remuneration & Benefits	2404.81	1280.32
Expenses on Administration, Township, Social Overheads and Selling & Distribution Expenses	854.61*	2456.16*
<b>Total Expenditure</b>	<b>9159.64</b>	<b>18911.66</b>
<b>Operating Profit/(Loss)</b>	<b>(4523.54)</b>	<b>(6453.05)</b>
Less: Interest Income/(Expenses)–Net	(5647.93)	(5257.47)
Less: Depreciation	(1888.53)	(1878.19)
Add: Other Income	921.50	912.57
<b>Profit/(Loss) after Depreciation &amp; Interest</b>	<b>(11138.50)</b>	<b>(12676.13)</b>
Exceptional Items (Prior Period Adjustments)	0	0
<b>Net Profit/(Loss)</b>	<b>(11138.50)</b>	<b>(12676.13)</b>
<b>Accumulated Profit/(Loss)</b>	<b>(94855.61)</b>	<b>(83717.05)</b>
<b>*Includes Provision created during the year</b>		

**2. Production & Sale**

During the year, newsprint production stood at 6788 MT, which has been significantly lower than 21,607 MT Newsprint and 1,749 MT WPP achieved during the previous year 2023-24. The decline in production was primarily due to limited skilled manpower and lack of working capital, want of critical spares thereby the operations could not resume fully. The non-availability of funds leads to shortage of raw material chemicals and delays in arrival of coal from collieries which resulted in stoppages of plant and machinery.

Efforts are on to mitigate these issues to ensure smoother and more consistent operations in coming time.

Total sales during the year 2024-25 was 7803.886 MT and balance finished newsprint & writing-printing paper is 2305.003 MT.

### 3. **Operation**

The NEPA Revival & Mill Development Plan (RMDP) has been substantially completed under constrained conditions. Despite significant technical and financial challenges, the plant has been made operational with numerous issues addressed sequentially as they arose. The Powerhouse, De-Inking plant and ET Plant with Sludge Handling System have been stabilized. Production capacity in the Paper Machines has progressively improved and the product quality has seen marked enhancement. NEPA has successfully manufactured good quality newsprint paper using predefined raw materials and chemicals. However, several critical challenges have hindered full-scale operations:

- (a) A significant obstacle has been the scarcity of trained personnel required to operate the newly commissioned and modernized systems including the Powerhouse, De-Inking Plant and Paper Machines—equipped with DCS (Distributed Control System), QCS (Quality Control System) and PLC (Programmed Logical Control)-based systems. Although NEPA Management made efforts to recruit local and outsource skilled manpower from the open market, the shortage continues to impact operations.
- (b) Equipment stabilization has been delayed due to pending performance checks view inefficiencies in vendor execution. These delays caused frequent operational disruptions and breakdowns, further stalling production.
- (c) The company has been experiencing a severe fund crisis for over a year. This has directly affected the availability of working capital required for critical repairs, procurement of raw materials and smooth operation of the plant.
- (d) The resumption of production is heavily contingent on the procurement of coal and other essential raw materials. Without these inputs, restarting and sustaining plant operations remains unfeasible.

Despite these challenges, notably NEPA manufactured 42 GSM high quality newsprint which provides greater length and mileage on the same reel size. This distinctive capability underscores NEPA's strategic importance in the domestic paper manufacturing sector.

### 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 31<sup>st</sup> March 2025 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-sustainable.

#### **Mission**

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

### 8. **Environment Management and Pollution Control**

NEPA Ltd. has adopted extensive measures for abatement of pollution and protect the environment while manufacturing high-quality newsprint and writing and printing paper. The company uses eco-friendly technology by utilizing recycled raw materials such as old newspapers and used office stationery (white paper) to reduce environmental impact.

The manufacturing process is chlorine-free, cost-effective and utilizes minimal chemical input for process optimization. As a result, the operations are designed to be non-polluting and sustainable. The following initiatives have been successfully implemented under the Revival & Mill Development Plan (RMDP) to ensure pollution abatement:

**(a) Solid Waste Management**

- A modern Sludge Handling System (SHS) with a capacity of 140 MT (at 50% moisture) has been installed.
- This system recovers usable fibre from effluent and minimizes solid waste contents in effluent under treatment process.
- The recovered sludge is incinerated in the powerhouse boiler which reduces coal consumption and prevents soil pollution.
- Additional sludge from the Effluent Treatment Plant (ETP) is sold to cardboard manufacturers, promoting circular waste utilization.

**(b) Water Pollution Control**

- A fully operational Effluent Treatment Plant (ETP) with a treatment capacity of 12,000 cubic meters/day ensures complete treatment of wastewater.
- Treated water is recycled for process use, achieving Zero Liquid Discharge (ZLD) status with no industrial water discharge outside the plant.

**(c) Air Pollution Abatement**

- A four-field Electrostatic Precipitator (ESP) is installed in the powerhouse to control emissions of SO<sub>2</sub>, NO<sub>x</sub>, CO, CO<sub>2</sub> and particulate matter.
- A chimney of 80 meters height ensures safe dispersion of flue gases after meeting prescribed environmental norms.
- Dust suppression systems (with water spraying) are used in the coal handling plant and bag filters are installed in the ash handling plant to control fugitive dust emissions.
- A lime feeding mechanism is operational in the boiler to curb sulphur emissions.

**(d) Environmental Monitoring Systems**

- Online continuous Effluent Monitoring System (OCEMS) monitors ETP parameters.
- Continuous Stack Emission Monitoring System (CSEMS) monitors air pollution parameters in real-time
- Ambient Air Quality Monitoring System (CAAQMS) continuously measures surrounding air quality.
- All monitoring data are transmitted in real time to the Central Pollution Control Board (CPCB) and Madhya Pradesh Pollution Control Board (MPPCB) via a cloud-based system.

**(e) Hazardous Waste Management**

- Spent oil from the plant is safely disposed off through authorized oil re-processors.
- Anionic and cationic resins, categorized as hazardous waste are disposed off in accordance with PCB guidelines through MP Waste Management Project, Pithampur (MP).

**(f) Green Initiatives**

- On Environment Day and other special occasions, extensive tree plantations have been carried out in and around the NEPA township.
- These efforts aim to maintain a clean, green and healthy environment, reinforcing NEPA Ltd.'s commitment to sustainability and environmental stewardship.

This comprehensive approach reflects NEPA Ltd.'s dedication to sustainable industrial practices and responsible environmental management, setting a strong example for eco-conscious manufacturing in the paper industry.

## 9. **Research & Development and Quality & Technology**

At Nepa Ltd., our Quality Control and Research & Development Centre is equipped with state-of-the-art digital testing instruments. The Quality Control (QC) team plays a crucial role in ensuring that all raw materials, chemicals and incoming substances are rigorously tested to meet established quality specifications.

Following the implementation of the Revival & Mill Development Plan (RMDP), the mill has successfully continued the production of high-brightness and high-strength newsprint paper from recycling paper waste materials. To maintain the desired properties of newsprint and writing & printing paper, strict inspection protocols are followed at every stage — from raw material assessment, pulp production, to final paper testing for ensuring compliance with standard specifications.

Finished products undergo round-the-clock quality monitoring by dedicated shift staff. The Quality & Technology Department ensures that only the best-quality products are dispatched to our valued customers with the goal of achieving zero customer complaints.

### (a) **Water and Effluent Testing**

Our laboratory is equipped to monitor and analyze various water parameters, including:

- Effluent
- Service water
- De-mineralized (DM) water

Additionally, potable water quality is periodically analyzed to verify the appropriate dosing of water treatment chemicals thereby ensuring safe and hygienic water for the NEPA Township.

### (b) **R&D Centre – Innovation and Optimization**

NEPA Ltd.'s R&D Centre is registered with the Department of Scientific & Industrial Research (DSIR), Ministry of Science and Technology, Government of India. It plays a pivotal role in:

- Process optimization
- Product diversification
- Adoption of new technologies
- Quality improvement initiatives

The center has contributed significantly to the development of high-quality Writing & Printing and Improved Newsprint grades, often through innovations in manufacturing processes and material combinations.

To reduce production costs, the R&D team has successfully:

- Identified cost-effective chemical alternatives
- Developed optimal chemical and raw material combinations
- Conducted trials under various parameters

Upon successful lab-scale trials, these innovations are implemented in the plant for commercial-scale production.

Furthermore, the R&D team regularly studies and evaluates samples of various paper grades from different manufacturers to benchmark and improve Nepa's product offerings.

### (c) **Sustainability Research**

Ongoing research at the R&D Centre also focuses on the utilization of sludge and fly ash, aiming to enhance sustainability and reduce environmental impact through innovative reuse strategies.

**10. Human Resources Development**

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

Company engages with ITI/Graduate/Technician Apprentices for development of their skill and for enhancing their employability.

In this regard plans are on the anvil to start skill development programme at shop floor level for these students so as to equip them with on job skill set, which would help them in building their career path.

The growth and advancement needs of the employees have been factored into the HRM policies of the Company.

Company's staff strength as on 31<sup>st</sup> March 2025 was 168 (comprising of 99 Executives, 32 Non-executives & 37 Temporary Employees).

**11. 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 have been 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.

**12. 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 healthy working and social environment. Also, more emphasis is given to Health and Safety of the employees.

**13. 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.

**14. 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, 2025 is shown in **Annexure-I** attached.

**15. Position of women employees**

The particulars of women employees in the Company as on March 31, 2025 are given in **Annexure-II** attached.

**16. 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 14.09.2024 to 21.09.2024.

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 & Kruti 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.

#### **17. 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.

#### **18. Disclosures under Sexual Harassment of Women at Workplace (prevention, prohibition & redressal) Act, 2013**

The Company’s goal has always been to create an open and safe workplace for every employee to feel empowered, irrespective of gender, sexual preferences and other factors and contribute to the best of their abilities. In line to make the workplace a safe environment, the Company has set up a policy on prevention of sexual harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“PoSH Act”). Further, the Company has complied with the provisions under the PoSH Act relating to the framing of an anti-sexual harassment policy and the constitution of an Internal Committee. The Company has not received any complaints pertaining to sexual harassment at workplace during the year under review.

#### **19. Maternity benefit provided by the company under Maternity Benefit Act, 1961**

The Company declares that it has duly complied with the provisions of the Maternity Benefit Act, 1961. All eligible women employees have been extended the statutory benefits prescribed under the Act, including paid maternity leave, continuity of salary and service during the leave period and post-maternity support such as nursing breaks as applicable. The Company remains committed to fostering an inclusive and supportive work environment that upholds the rights and welfare of its women employees in accordance with applicable laws.

#### **20. 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 continues to provide drinking water facility to the Nagar Palika Parishad, Nepanagar for Nepa Township and health care facilities to Nepanagar residents and the neighboring communities. 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.

#### **21. 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.

**22. Extract of Annual Return/ Web address**

Extract of annual return for FY 2024-25 in the prescribed form MGT 9 as per the requirements of Section 92(3) of the Act and Rules framed there under is available on [www.nepamills.co.in](http://www.nepamills.co.in)

**23. 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.

**24. Energy Conservation**

- Bi-product Sludge is mixed with coal for the burning in boiler to reduce the coal consumption.
- Existing Vacuum pumps & process pumps replaced with New Energy efficient pumps.
- Existing ordinary MCC/Starter replaced with VFD (Variable frequency Drive) as per process requirement.
- Existing conventional lighting is being replaced with LED lighting which will save more than 70% of energy.
- Improvement of Power Factor maintained between 0.95 to 0.99.

**25. 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.

**26. Vigilance**

The Vigilance department is presently headed by Chief Vigilance Officer and assisted by Dy. Mgr. Vigilance. The Vigilance Department functions as an independent body within the company, playing a pivotal role in promoting the transparency by identifying procedural lapses, malpractices and potential areas of corruption. In continuation to earlier contribution, 07 CTE type Examinations, 12 surprise inspections, scrutiny of 30 Annual property returns along with more than 11 trainings were conducted till 31.03.2025. As per the instruction of the Central Vigilance Commission (CVC), Vigilance Awareness Week (VAW) was observed from 16.08.2024 to 15.11.2024 in the NEPA Limited on the theme of "Culture of integrity for nation's prosperity". Various Activities were organized in three months.

**a. Capacity building programs:** Trainings on Ethics and governance, Conduct Rules, System and organizational procedures, Procurement, Cyber hygiene and security etc. were conducted by CVO.

**b. Identification and implementation of systematic improvement measures:** Systematic improvements have been ensured vide various surprise / periodic CTE inspections.

**c. Updating of Circular/Guideline /Manual:** Updated CDA manual was implemented.

**d. Disposal of complaints:** Each complaint was disposed within the prescribed time limit.

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 progress and performance report are submitted to Central Vigilance Commission (CVC).

#### **Preventive vigilance activities**

The Vigilance Department has actively contributed to employee awareness and capacity building throughout the year. During the F.Y. 2024-25, various training programs, workshops and awareness sessions were conducted—both online and offline to educate the employees on matters such as ethical behavior, procurement issues, procedures and compliance with organizational policies.

#### **27. Committee of the Board**

Details regarding committee of the board is attached as **Annexure IV**.

#### **28. 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.

#### **29. 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 2025 and state that:

- a) In the preparation of Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) The Annual Accounts have been prepared on a going-concern basis;
- e) 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.
- f) 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.

#### **30. Management Discussion and Analysis**

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

#### **31. Auditors**

**Statutory Auditor: M/s Subhas Chand Jain Anurag & Associates**, Chartered Accountants, Indore were appointed as Statutory Auditors of the Company for the financial year 2024-25 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.

**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 **M/s. Mayuree Halder & Associates**, a Practicing Company Secretary to undertake the secretarial audit of the Company for the financial year 2024-25.

**Cost Auditor: M/s Prabha Sharma & Associates, Bhopal**, Cost Accountant was appointed to work as a cost auditor of the Company in accordance with the provisions of the Companies Act, 2013 during the year.

**32. Auditor Report**

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

**33. Detail of Fraud as per Auditors Report**

There is no fraud in the Company during the F.Y. ended 31<sup>st</sup> March, 2025 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 31<sup>st</sup> March, 2025.

**34. 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.

**35. 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.

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

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

**37. Secretarial Audit Report**

The Secretarial Audit report as given by the Secretarial Auditor is attached in Corporate Governance report in Annexure IV to this report. The remark of secretarial auditor is self-explanatory in nature.

**38. Internal Control System**

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

**39. Material Changes and Commitments, if any, affecting Financial Position of the Company**

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.

**40. Particulars of Loans, Guarantees or Investments**

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

**41. Deposits**

The Company has not accepted deposit from the public within the ambit of Section 73 of the

Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

#### 42. Comments of the Comptroller and Auditor General of India

The comments of the Comptroller Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Accounts of the Company for the year ended 31<sup>st</sup> March 2025 are along with management reply is given in Annual Report.

#### 43. Board meetings

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

S. No.	1	2	3	4	5	6
Date	03.05.24	07.08.24	18.10.24	14.11.24	08.01.25	13.02.25
No. of Directors Present	5	4	4	4	5	5

#### 44. Audit Committee

The Audit Committee held three meetings during the year.

S. No.	1	2	3
Date	07.08.24	14.11.24	08.01.25
No. of Members Present	2	2	3

No Stakeholder relationship committee meeting held during the year.

#### 45. Composition of Board of Directors & KMP

Composition of Board are as follows

Sr. No	Name	Designation	Changes During the Year
1	Dr. Renuka Mishra	Part Time Official Director	Appointed w.e.f. 22.07.2024
2.	Shri Rakesh Kumar Chokhani	Chairman Cum Managing Director w.e.f. 26.03.2024	Tenure Completed on 16.04.2025
3.	Cmde. Arvind Vadhera, VSM	Chairman Cum Managing Director	Appointed w.e.f. 16.04.2025
4.	Shri P.K. Naik	Director Finance w.e.f. 02.05.2019	Appointed as Director Finance (Add. Charge) with further extension of one year w.e.f. 02.05.2025
5.	Shri Milind Sharadchandra Kanade	Independent Director w.e.f. 05.06.2023	NA
6.	Shri Atul Kumar Mishra	Part Time Official Director w.e.f. 03.03.2023	NA

Details of KMP are as follows

Sr. No.	Name	Particular	Changes During the Year
01	Shri Vikas Reddy	CFO w.e.f. 15.01.2024	NA
02	Smt. Nidhi Mishra	Company Secretary w.e.f. 15.01.2024	NA

#### 46. Status of Marketability of Newsprint & WPP

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

- **Indian Paper and Pulp Market**

Revenue in the Print Newspapers and Magazines market in India is forecasted to reach USD 3.01 bn in 2025. The revenue is anticipated to demonstrate growth rate (CAGR 2025-2030) of 1.50%, leading to an estimated market volume of USD 3.24 bn by 2030. (Source: Statista Market Forecast).

- **What is the future of newspaper industry in India?**

The Indian newspaper and magazine market is projected to reach US\$4.14 billion in 2025, with a growth rate of 2.02% annually between 2025 and 2030, leading to a projected market volume of US\$4.57 billion by 2030. Print newspapers and magazines are expected to be the largest segment, with a market volume of US\$3.01 billion in 2025, (Source: Statista Market Forecast).

- **What is the Future Growth of Paper Industry in India?**

The Indian paper industry is poised for strong growth in the coming years, driven by increasing literacy, organized retail and the demand for sustainable packaging. Projections indicate a 6-7% annual growth with consumption expected to reach 35 million tonnes by 2030, compared to the current estimated level of around 24 million tonnes according to Paperex India – Future Growth Outlook.

- **What is the Future of Paper Production?**

The future of paper production in India looks promising with strong growth expected in the coming years, driven by increased demand for packaging, educational materials and hygiene products. The industry is anticipated to reach 35 million tonnes by 2030 by factors like rising literacy rates, organized retail growth and a burgeoning e-commerce sector. (Source: IPMA estimates).

- **Will Print Media Survive in India?**

According to the FICCI-EY report, print media advertising revenue in India grew by 3.3% in 2024. (Source: FICCI).

- **Newsprint Segment**

The newsprint segment comprises of ~15% of the Indian Paper Industry and has grown at a CAGR of 3.5% during FY 08-17 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. (Source: Value Pickr Forum).

- **Writing Paper Segment**

Data Bridge Market Research Analysis that the Writing & Printing and speciality paper market was valued at USD 2660 million in 2021 and is expected to reach USD 4502.28 million by 2029, registering a CAGR of 6.80% during the forecast period 2022 to 2029.

- **Changing Product Mix and Raw Material Use**

Raw material usage across the industry: 71% recycled fibre, 21% wood/bamboo and 8% agro residue—highlighting a strong circular economy model. Product output across Indian paper mills: Packaging board (65%), Writing & Printing (23%), Newsprint (5%), Tissue/Security paper (4%), Others (3%). (Source: IPMA -2023-24).

- **Global Standing and Growth Potential**

India is the 5th largest paper producer globally with a share of ~5% and annual production of ~22 million TPA. India's per capita paper consumption is 16 kg (vs global average of 57 kg), indicating significant growth potential as literacy and retail penetration increase. (Source: IPMA -2023-24).

- **Implications For Nepa Ltd.**

- Nepa Ltd., with its capability in 42 GSM newsprint and WPP (56–75 GSM) has a niche advantage.
- Domestic demand for WPP through tenders and educational institutions can be strategically targeted.

- Improving brightness, sizing and finish with Capex (e.g., Size Press) will make Nepa products more competitive.
- Opportunity exists to replace imported newsprint through price-competitive domestic production.

### **Outlook for Nepa Limited**

#### • **Current Scenario**

In the Year 2024-25, higher raw material and coal consumption was observed primarily due to suboptimal equipment load because of working capital crunch and lack of skilled workforce owing to VRS and recruitment freeze.

#### 1. **Operational Performance**

Despite these challenges, Nepa Limited has undertaken multiple corrective measures including internal audits, operator retraining, process optimization, boiler and turbine efficiency improvements and strategic procurement practices. These initiatives have started showing reduction in specific consumption of coal, chemical and power.

NEPA Limited continued producing Newsprint due to the need for stabilizing vintage machinery and the absence of critical infrastructure like a size press, which limited immediate commercial-scale production of surface-sized WPP grades. Despite producing a trial quantity of writing and printing paper as per TEV recommendation a 60% WPP mix, technical constraints and market entry challenges necessitated a cautious, phased approach.

Nevertheless, NEPA has sold all its first quality Newsprint inventory. The company is in the process of aligning towards a 60:40 WPP to NP production ratio, reaffirming its commitment to achieving the objectives set under RMDP.

#### 2. **Working Capital Crisis and Management Efforts**

Nepa Limited continues to grapple with a severe working capital crisis, which has significantly impacted procurement of raw materials, maintained utilities and sustained regular operations. In compliance with Government directives, the management is actively pursuing multiple measures including securing buyer advances, optimizing operational expenditures and continuously engaging with the administrative Ministry for necessary financial support. Focused efforts are being made towards strategic cash flow management, lean inventory practices and adherence to statutory and environmental obligations.

#### 3. **Manpower Crisis and Management Efforts**

Nepa Limited is currently facing a severe manpower shortage owing to prolonged non-recruitment over the years. From a peak strength of around 4,200 employees, the manpower has sharply declined to just 168 as of March 2025 and is expected to further reduce to 83 by FY 2027–28 due to superannuation. This has placed considerable pressure on the existing workforce, which is stretched thin across critical functions to sustain core operations.

Recognizing the gravity of the situation and in line with Government directives, the management has constituted a Regular Manpower Recruitment Committee and identified essential positions for selective recruitment. Simultaneously, internal measures such as resource redeployment, skill optimization and strict adherence to regulatory norms are being pursued.

#### 4. **Infrastructure Constraints and Proposal to Ministry**

After the substantial completion of work in RMDP, some of the left-over critical repairs and availability of the spares have created obstacles for continuous plant operations. Despite the concerted efforts of the existing team, the absence of earmarked funds for critical spares and Annual Maintenance Contracts (AMCs) has severely impacted production stability. To address this, a proposal amounting to ₹248crore has been submitted to the Ministry of Heavy Industries covering both working capital requirements

meeting financial liabilities address essential repairs and provision for critical spares. Meanwhile the management is prioritizing selective repairs using limited internal resources to maintain plant safety and sustain partial operations.

Under these constraints, Nepa management is also exploring of alternative options such as contract manufacturing operations to capable partners who can effectively utilize the existing infrastructure and manufacturing facilities with the aim of ensuring uninterrupted operations and mutual value creation with a view on social responsibility of keeping the plant in operation for safeguarding employment of tribal population.

- **Conclusion**

The outlook for newsprint and writing & printing paper in India remains cautiously optimistic, even as global markets soften. Nepa Ltd. is well-aligned to serve institutional and vernacular media needs. By focusing on value-added WPP grades and import substitution of Newsprint, Nepa can achieve sustainable growth and profitability.

Despite the modest pace of market expansion, the present management at Nepa Ltd. is committed to revitalizing operations and positioning the company as a self-reliant, future-ready enterprise. Focused investments in quality improvement, operational efficiency and strategic procurement are already underway. Through proactive engagement with integrated pulp and paper manufacturers, adoption of sustainable raw material strategies and consistent financial discipline, the company is poised to move towards self-sustainability.

Stakeholders can be assured that the roadmap being implemented is aligned with long-term profitability and resilience. Nepa Ltd.'s modernization initiatives, coupled with its legacy expertise and Government backing, reinforce confidence in its ability to thrive amidst evolving market conditions.

#### **47. Maintenance of Cost Records**

The specified accounts have been made and maintained.

#### **48. Evaluation of the Board's Performance**

As per Notification No. GSR 463(E) dated 5<sup>th</sup> 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.

#### **49. Capital Structure**

The authorized and paid-up capital of the company is Rs. 800 crores and Rs. 694.32 crores respectively.

#### **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 was 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. However, 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.**

- a) **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 and 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](http://www.nepamills.nic.in) Information and latest updates and announcements made by the company can be accessed at Company's Website, which also includes the Company profile/Organizational History of Nepa, Vision & Mission, Annual Reports, Messages from Management, latest Tenders and Photo Gallery etc.
- b) **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 and in reducing travel expenses.

**54. Implementation of RTI Act, 2005**

The provisions of the Right to Information Act, 2005 are strictly complied with in your Company. 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 2024-25, Company has conducted 11 in-house training programmes on GFR, Procurement under Capacity Building, Conduct Rules, Ethics & Governance (under Vigilance Awareness Campaign), Procurement and Presentation on Nepa Limited CDA Rules, 1979, in which 295 employees participated. Company is also marching ahead with "Prime Minister Kaushal Vikas Yojana" as well as "Swachh Bharat Abhiyan".

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 wherein 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 & Public Enterprise, 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 Board**

**Date: 07.08.2025**  
**Place: New Delhi**

**CMDE. ARVIND VADHERA(Retd.), VSM**  
**Chairman-cum-Managing Director**  
**DIN: 11104498**

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

**ANNEXURE-I****Position regarding employment of Scheduled Castes/ Scheduled Tribes, Ex-Servicemen/ OBC etc. as on 31.03.2025****1. Representation of SCs/ STs/ OBCs**

Group	Total No. of employee	No. of SC	%	No. of ST	%	No. of OBC	%
A.	35	3	8.57	0	0.00	11	31.43
B.	91	7	7.69	3	3.30	13	<b>14.29</b>
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.	35	-	-	-	-	-	-
B.	91	-	-	-	-	-	-
C.	-	-	-	-	-	-	-
D.	5	-	-	-	-	-	-

**3. Representation of Persons with Disabilities (PwD)**

Group	Total No. of Employees	No. of Physically Challenged	Category of Physically Challenged
A	35	0	-
B	91	0	-
C&D	5	0	-

**ANNEXURE-II****Representation of Female Employees as on 31.03.2025**

	PAY SCALE	NO. OF EMPLOYEES	NO. OF FEMALE EMPLOYEES	%
<b>A</b>	<b>EXECUTIVES</b>			
	22500–27300	0	0	0
	20500–25000	1	0	0
	18500–23900	1	0	0
	17500–22300	3	0	0
	16000–20800	7	0	0
	14500–18700	3	0	0
	13000–18250	11	1	9.09
	10750–16750	8	0	0
	8600–14600	1	0	0
	6550–11350	29	4	13.79
	<b>TOTAL A</b>	<b>64</b>	<b>5</b>	<b>7.81</b>
<b>B</b>	<b>NON-UNIONISED SUPERVISOR</b>			
	6000–9040	35	1	2.86
	<b>TOTAL B</b>	<b>35</b>	<b>1</b>	<b>2.86</b>
<b>C</b>	<b>WORKMEN</b>			
	5900–8845	0	0	0
	5800–8760	32	2	6.25
	5650–8680	0	0	0
	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
	<b>TOTAL C</b>	<b>32</b>	<b>2</b>	<b>6.25</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>131</b>	<b>8</b>	<b>6.11</b>

**ANNEXURE-III****FORM 'A'****(Form for disclosure of particulars with reference to conservation of energy)**

Particulars	Unit	2024-25	2023-24
<b>I. NEWSPRINT</b>			
<b>Power and Fuel Consumption</b>			
<b>1. Electricity:</b>			
<b>a) Purchased Units (MPEB Grid)</b>	KWH	8781650	9835450
<b>Total amount</b>	Rs. Lacs	809.94	884.52
<b>Cost / Unit</b>	Rs.	9.22	9.00
<b>b) Own Generation Units</b>			
<b>i) Power House</b>	KWH	9575300	30135100
<b>ii) DG Set</b>	KWH	300	1363
<b>c) Total Unit (a+b)</b>		18357250	39971913
<b>2. Coal used in Powerhouse:</b>			
<b>Quantity</b>	MT	16292	49925
<b>Total Cost</b>	Rs. in lacs	996.75	3089.20
<b>Average Rate</b>	Rs./MT	6118.10	6187.68
<b>3. Fuel Oil: Diesel</b>			
<b>Quantity</b>	KL	1.20	2.10
<b>Total Cost</b>	Rs. In Lacs	1.12	2.02
<b>Average Rate</b>	Rs./KL	93.40	96.40
<b>4. Other/Internal Generation</b>		NIL	NIL
<b>Consumption per unit of production</b>			
<b>Newsprint Production</b>	MT	6788	21607
<b>Writing &amp; Printing Production</b>	MT	Nil	1749
<b>Electricity (Purchased)</b>	KWH/T	1293.70	421.11
<b>Electricity (own generated)</b>	KWH/T	1410.66	1290.30
<b>Coal/T of Paper</b>	Kg/T	2.40	2.13
<b>Fuel Oil</b>	Lit/T	NIL	NIL

**FORM-'B'****(Form for disclosure of particulars with respect to technology absorption)**

<b>A RESEARCH AND DEVELOPMENT (R&amp;D) ACTIVITIES</b>		
<b>1</b>	<b>Specific areas in which R&amp;D to be carried out</b>	Enhancement of product quality by: Minimizing the use of chemicals through process optimization. Leveraging modern laboratory equipment procured during the previous year to upgrade manufacturing processes. Emphasizing eco-friendly production techniques without compromising on product performance.
<b>2</b>	<b>Benefits Derived from R&amp;D Efforts</b>	Utilization of recycled raw materials: Improved cost efficiency in production. Promotion of environmentally sustainable manufacturing practices. Adoption of Elemental Chlorine Free (ECF) bleaching processes: Use of Sodium Hydrosulphite and Hydrogen Peroxide for bleaching. Significant reduction in harmful effluents, contributing to greener operations.

<b>3</b>	<b>Future Plan of Action</b>	<p><b>Pilot project in progress with BARC on</b></p> <p>Utilization of plant sludge with Banana tree left-over for biogas generation.</p> <p>To explore possibilities of technologies and collaboration for biomass-to-energy conversion.</p> <p>To identify sustainable energy generation potential under the Biomass project.</p> <p><b>Continued research on:</b></p> <p>Testing different combinations of raw materials and chemical inputs.</p> <p>Optimizing chemical usage for effective and economical processing within upgraded plant infrastructure — including the newly installed De-Inking Plant and renovated Paper Machine.</p> <p><b>b. Sustainability goals:</b></p> <p>Targeting reduction in water consumption per ton of paper produced.</p> <p>Supporting compliance with Zero Liquid Discharge (ZLD) norms in the Effluent Treatment Plant (ETP) as per prevailing industry standards.</p>
<b>4</b>	<b>Expenditure of R&amp;D</b>	<p>a) Capital - Nil</p> <p>b) Recurring - Nil</p> <p>c) Total - Nil</p>
<b>B)</b>	<b>Technology Absorption Adaptation and Innovation</b>	<p>The plant has successfully commenced the production of improved quality Newsprint paper. After meeting desired standards of brightness and other key parameters.</p> <p>Looking ahead, NEPA Ltd. plans to diversify its product portfolio by initiating the production of Writing &amp; Printing grade paper to cater to evolving market demands.</p>
<b>C)</b>	<b>Foreign Exchange Earnings and Outgoing</b>	<p>The company has undertaken strategic initiatives to boost exports, including the exploration of new markets for its products and services. In line with this strategy, NEPA Ltd. has imported advanced plant and machinery under the Government of India's EPCG (Export Promotion Capital Goods) Scheme. EPCG licenses worth ₹ 26 crore have been availed, which entail an export obligation of six times the license value.</p> <p>To fulfill this export obligation, the company plans to export finished paper products including both Newsprint and Writing &amp; Printing paper after further quality enhancements to align with international standards and market preferences.</p>
<b>D)</b>	<b>Total foreign exchange used &amp; earned</b>	<p>Earnings - NIL</p> <p>ii) Used (Procurement of OIN) - NIL</p>

**For & on behalf of Board**

**Date: 07.08.2025**  
**Place: New Delhi**

**CMDE. ARVIND VADHERA(Retd.), VSM**  
**Chairman-cum-Managing Director**  
**DIN: 11104498**

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

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

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 31<sup>st</sup> March 2025, The Board of Directors of Nepa Limited comprise of 5 Directors, out of which two (2) are whole time Directors including a Chairman cum Managing Director & a Director(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 2024-25, 6 Board Meetings were held on, 03<sup>rd</sup> May 24, 07<sup>th</sup> Aug 24, 18<sup>th</sup> Oct 24, 14<sup>th</sup> Nov 24, 08<sup>th</sup> Jan 25 & 13<sup>th</sup> Feb 25.

**The details of attendance of Directors for the year 2024-25 at the Board Meetings and in AGM are given below:**

Name of Director	Category	Board Meetings held	Board Meetings entitled to attend	Board Meetings Attended	Attendance in previous AGM
Shri Rakesh Kumar Chokhani	Chairman cum Managing Director	6	6	6	YES

<b>Dr. Renuka Mishra</b>	Part-time Official Director	6	6	6	NO
<b>Shri. P.K. Naik</b>	Director (Finance)	6	6	6	YES
<b>Shri Atul Kumar Mishra</b>	Part-time Official Director	6	6	3	No
<b>Shri Milind Sharadchandra Kanade</b>	Independent Director	6	6	6	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 2025 are given below: -

Sr. No.	Name of Directors	Directorship in other Public Companies	Committee Positions held	
1.	<sup>1</sup> Shri Rakesh Kumar Chokhani	NIL	-	-
2.	<sup>2</sup> Cmde Arvind Vadhera, VSM	NIL	-	-
3.	<sup>3</sup> Dr. Renuka Mishra	1. HMT MACHINE TOOLS LIMITED 2. H.M.T. LIMITED 3. H.M.T. (INTERNATIONAL) LIMITED 4. HMT WATCHES LIMITED 5. NEPA LTD 6. CEMENT CORPORATION OF INDIA LIMITED 7. RAJASTHAN ELECTRONICS AND INSTRUMENTS LTD 8. BRIDGE & ROOF CO (INDIA) LTD 9. ENGINEERING PROJECTS (INDIA) LIMITED 10. SCOOTERS INDIA LIMITED	-	-
5.	Shri Milind Sharadchandra Kanade	NIL	-	-
6.	Shri Atul Kumar Mishra	M.P. State Mining Corporation Limited		
7.	<sup>4</sup> Shri P.K. Naik	Currently designated as AGM(Finance) BHEL, Bhopal	-	-

<sup>1</sup> Tenure Completed on 16.04.2025.

<sup>2</sup> Appointed as Chairman cum Managing Director on 16.04.2025.

<sup>3</sup> Appointed as Part-time Official Director at Nepa Ltd on 22.07.2024.

<sup>4</sup> Further extension of one year w.e.f 02.05.2025.

#### **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. 18<sup>th</sup> 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.	Shri Atul Kumar Mishra	Member
3.	Shri P.K. Naik	Member

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

During the F.Y. 2024-25, three meetings have been held 07<sup>th</sup> Aug 2024, 14<sup>th</sup> Nov 2024 & 08<sup>th</sup> Jan 2025.

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)	3	3	3
Shri Atul Kumar Mishra	Nominee Director (Member)	3	3	1
Shri P.K. Naik	Director Finance (Member)	3	3	3

**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 Arvind Vadhera, VSM (retd.)	Member
3.	Shri Atul Kumar Mishra	Member
4.	Shri P.K. Naik	Member

1. Shri Atul Kumar Mishra as Member From 20.04.2023 (Chairperson from 20.04.2023 till 28.08.2023)
2. Shri Milind Sharadchandra Kanade as Chairperson from 28.08.2023.
3. Shri P.K. Naik as Member from 20.04.2023.
4. Cmde Arvind Vadhera, VSM (retd.) as Member from 07.08.2025

No. of Meeting Held During the F.Y. 2024-25 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:

<b>1.</b>	Shri Milind Sharadchandra Kanade	Chairperson
<b>2.</b>	Shri Atul Kumar Mishra	Member
<b>3.</b>	Shri P.K. Naik	Member

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

During the F.Y. 2024-25 one meeting have been held on 07<sup>th</sup> August 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
<b>Shri Milind Sharadchandra Kanade</b>	Independent Director (Chairman)	1	1	1
<b>Shri Atul Kumar Mishra</b>	Nominee Director (Member)	1	1	0
<b>Shri P.K. Naik</b>	Director Finance (Member)	1	1	1

**5. GENERAL BODY MEETINGS**

Financial year	Date	Time	Venue	Special Resolution passed
2019-20	30 <sup>th</sup> December 2020	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	Yes
2020-21	30 <sup>th</sup> December 2021 adjourn meeting held on 14 <sup>th</sup> March 2022	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	No
2021-22	21 <sup>st</sup> December 2022	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	Yes
2022-23	24 <sup>th</sup> November 2023	4:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	No
2023-24	26 <sup>th</sup> October 2024	5:00 PM	Nepa Ltd Registered Office, Napanagar – 450221 (M.P.)	No

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

F.Y.	Date and time	Venue	Special Resolution passed
<b>2021-22</b>	21 <sup>st</sup> December 2022, 4:00 P.M.	Nepa Ltd Registered Office, Napanagar– 450221 (M.P.)	1. Adoption of new set of Articles of Association of the Company. 2. Issue and allotment of Equity Shares.
<b>2022-23</b>	24 <sup>th</sup> November 2023, 4:00 P.M.	Nepa Ltd Registered Office, Napanagar– 450221 (M.P.)	N.A.
<b>2023-24</b>	26 <sup>th</sup> October 2024, 5:00 P.M.	Nepa Ltd Registered Office, Napanagar– 450221 (M.P.)	N.A.

**Annual General Meeting for the financial year 2024-25:**

<b>Date and Day</b>	Saturday, 30 <sup>th</sup> August 2025
<b>Mode</b>	Online Mode
<b>Time</b>	5:00 PM
<b>Venue</b>	Nepa Ltd Registered Office, Neapanagar – 450221 (M.P.)

**6. DISCLOSURES**

- (i) **Details of remuneration paid to Functional Directors during the Financial Year 2024- 25 are under:**

**(Amount in Rs.)**

Sr. No.	Particulars	CMD	D(F)
		Shri Rakesh Kumar Chokhani	Shri Pradeep Kumar Naik
a.	Salary & Allowances	Nil	Nil
b.	Contribution to PF	Nil	Nil
c.	Other Benefits	Nil	Nil
	<b>Total</b>	<b>Nil</b>	<b>Nil</b>

**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. 2024-25 is Rs. 26,000/-

- (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:**

Nil

- (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](http://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 6<sup>th</sup> 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

	<b>For &amp; on behalf of Board</b>	
<b>Date: 07.08.2025</b>	<b>CMDE. ARVIND VADHERA(Retd.), VSM</b>	<b>PRADEEP KUMAR NAIK</b>
<b>Place: New Delhi</b>	<b>Chairman-cum-Managing Director</b>	<b>Director (Finance)</b>
	<b>DIN: 11104498</b>	<b>(Addl. Charge)</b>
		<b>DIN: 08676709</b>



**ANKUR CHOUKSEY & ASSOCIATES**  
**COMPANY SECRETARIES**

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To,  
**The Members,**  
**NEPA Limited**  
**CIN: U21012MP1947GOI000636**  
**Nepanagar, Burhanpur Dist,**  
**Madhya Pradesh, India - 450221**

I have examined the compliance of the conditions of Corporate Governance by **NEPA Limited (CIN: U21012MP1947GOI000636)** (hereinafter called the "Company"), a Central Public Sector Enterprise (CPSE) under the administrative control of the Ministry of Heavy Industries and Public Enterprises, for the financial year ended **31<sup>st</sup> March, 2025**, as stipulated in the Corporate Governance Guidelines for CPSEs, 2010 issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Company Secretaries of India (ICSI) and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as laid down in the aforesaid Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and based on the representations made by the Management, I hereby certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Corporate Governance Guidelines for CPSEs, 2010, except for the following:-

1. The Company does not have an optimum composition of the Board with respect to the number of Independent Directors as prescribed under the Guidelines.
2. The Audit Committee and Nomination & Remuneration Committee were constituted; however, their composition was not in full conformity with the requirements of the DPE Guidelines.
3. Separate meeting of Independent Directors was not held during the year due to the presence of only one Independent Director on the Board.

Subject to the above, the Company has broadly complied with the applicable provisions of Corporate Governance Guidelines during the year under review.

This Certificate is issued at the request of the Company for onward submission to the administrative ministry, statutory authorities, and for inclusion in its Annual Report, as required.

**Date:** 30.07.2025  
**Place:** Bhopal, Madhya Pradesh

**For, Ankur Chouksey and Associates**  
**Practising Company Secretaries**

**CS Ankur Chouksey**  
**Proprietor**

**ACS: 55330**

**COP No.: 25486**

**Firm Registration No. : S2022MP866400**

**Peer Review Certificate no. 5342/2023**

**UDIN: A055330G000899140**

**Address:** C-2, Third Floor, 4/9 Amer Complex, M.P Nagar Zone-2, Bhopal Madhya Pradesh – 462011

**Email id:** csankurchouksey@gmail.com **Contact No.** 8839106961, 8602782727

**Website:** www.csankurchouksey.com



**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2025**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
**The Members,**  
**NEPA Limited**  
**CIN: U21012MP1947GOI000636**  
**Nepanagar, Burhanpur Dist,**  
**Madhya Pradesh, India, 450221**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NEPA Limited (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 **31<sup>st</sup> March 2025** (Audit Period) 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 Company for the financial year ended on 31<sup>st</sup> March 2025 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(Not Applicable as the Company is not listed on the Any Stock Exchange)**
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable as the Company has not made any such transaction 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; **(Not Applicable to the Company during the Audit Period)**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - e) 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 to the Company during the Audit Period)**
  - f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) regulations, 2015; **(Not Applicable to the Company during the Audit Period)**
  - g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - h) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period) and**
  - j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period)**
- vi) Other labour, environment and specific applicable Acts / Laws to the Company for which Secretarial Audit was conducted as an overview audit and was generally based/ relied upon the documents provided to me and Management Confirmation Certificate provided by the Management of the Company & other audit report and certificates given by other professionals, the company has complied with the following Acts / Laws applicable to the Company during the audit period;
- (a) Factories Act, 1948;
  - (b) Contract Labour (Regulation & Abolition) Act;
  - (c) Child Labour (Prohibition & Regulation) Act, 1986;
  - (d) Apprentices Act;
  - (e) Maternity Benefit Act, 1961;
  - (f) Minimum Wages Act, 1948;
  - (g) The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act  
2013 read with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules 2013.
  - (h) Fatal Accident Act;
  - (i) Industrial Dispute Act;
  - (j) Industrial Employment Standing Order Act;
  - (k) Indian Contract Act, 1872;
  - (l) Right to Information Act, 2005.

- (m) Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises-March 2010 issued by the Ministry of Heavy Industries & Public Enterprises (Department of Public Enterprises), Government of India.
- (n) Information and Technology Act, 2000 and the rules made there under;
- (o) Environment Health & Safety Laws:
  - The Air (Prevention and Control of Pollution) Act, 1981
  - The Water (Prevention and Control of Pollution) Act, 1974
  - The Environment (Protection) Act, 1986

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

**I further report that,** the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

**I further report that,** during the year under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards mentioned above subject to the following observations –

- The Board of Directors of the Company does not have an optimum combination of Functional, Nominee and Independent Directors during the year under review, as required under the provisions of the Companies Act, 2013 and the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of India, vide OM No. 18(8)/2005-GM dated 14th May, 2010.
- The Company has constituted an Audit Committee; however, the composition of the Committee is not in line with the requirements of the Companies Act, 2013 and the aforesaid DPE Guidelines. As a result, the quorum for meetings of the Audit Committee was not validly constituted during the period under review.
- The Company has also constituted a Nomination and Remuneration Committee; however, its composition does not conform to the provisions of the Companies Act, 2013 and the DPE Guidelines. Consequently, the quorum for the meetings of the said Committee was not proper during the year.
- No meeting of Independent Directors was held during the financial year 2024–25, as only one Independent Director was appointed by the Ministry of Heavy Industries (MHI) to the Board during the period. Since a meeting of Independent Directors cannot be held with a single member, such meeting was not convened. The Company has periodically intimated MHI regarding the vacancy of Independent Directors on the Board.

**I further report that:**

The Company has broadly complied with the provisions of the Companies Act, 2013 and the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs), 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India, with respect to the constitution of the Board of Directors, ensuring an appropriate balance of

Executive, Non-Executive and Independent Directors, except to the extent stated in the observations above.

Further, the changes in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Companies Act, 2013 and were duly noted in the minutes of the subsequent Board Meetings.

Adequate notice was given to all Directors for convening Board Meetings. The agenda and detailed notes on agenda were generally circulated at least seven days in advance. The Company has an established system in place for seeking and providing further information and clarifications on agenda items prior to the meetings, thereby facilitating informed and meaningful participation by the Directors.

As per the minutes of the meetings maintained and signed by the Chairman, all decisions were taken with requisite majority. Where applicable, the views of dissenting members, if any, were duly recorded in the minutes.

**I further report that**, based on the information provided and the representation made by the Company and also on the review of the compliance certificates/reports taken on record by the Board of Directors of the Company, in my opinion there are adequate systems and process 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 period under review there were no specific events/actions in pursuance of the above-referred laws, rules, regulations, guidelines etc. having a major bearing on the Company affairs.

**Place: Betul**  
**Date: 26.07.2025**

**For Mayuree Halder & Associates**  
**“Company Secretaries”**  
**Mayuree Halder**  
**(Proprietor)**  
**CP. No. 23472**  
**Peer Review Cert. No.: 4087/2022**  
**UDIN: A060791G000870919**

**This report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.**

To,  
The Members,  
NEPA Limited  
CIN: U21012MP1947GOI000636  
Nepanagar, Burhanpur Dist,  
Madhya Pradesh, India, 450221

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
3. 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 provided a reasonable basis for our opinion.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Betul  
Date: 26.07.2025

For Mayuree Halder & Associates  
"Company Secretaries"  
Mayuree Halder  
(Proprietor)  
CP. No. 23472  
Peer Review Cert. No.: 4087/2022  
UDIN: A060791G000870919

## **ANNEXURE V**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **1. Global and Indian Market Overview**

##### **Global Market Insights:**

- The global writing and printing paper market is facing moderate contraction in developed economies but remains stable or growing in emerging markets. Global demand was approximately 85 million tonnes in 2024 and is expected to remain flat or slightly decline over the next 5 years due to digital substitution. (Source: Statista Market Forecast)
- The global newsprint market, valued at USD 12.4 billion in 2024, is experiencing a gradual decline globally but remains relevant in India and parts of Asia due to regional language newspaper growth and rural media consumption. (Source: Statista Market Forecast).
- Digital adoption and paperless trends are impacting traditional paper consumption in OECD countries but growth in e-learning, exam-based education systems and compliance-based documentation in developing economies are supporting the demand.
- Increasing environmental concerns and the transition from plastic to paper for communication and documentation are slightly moderating the rate of decline in the graphic paper segment globally.
- The global paper market is projected to witness steady growth from USD 1,035 billion in 2024 to USD 1,456 billion by 2029, reflecting a compound annual growth rate (CAGR) of approximately 7% (Source: Statista Market Forecast). This upward trend is driven by sustained demand in packaging, hygiene and recycled paper segments, especially in emerging markets. Despite digital disruptions in traditional printing, the industry continues to find momentum through innovation, sustainability and evolving consumer preferences.

#### **2. Indian Market Snapshot:**

- India produced approximately 2.6 million tonnes of writing and printing paper in 2024. This segment is projected to grow at a CAGR of 3.5–4.5% till 2030, driven by education, publishing and official documentation needs. (Source: Value Pickr Forum).
- The Indian newsprint market demand is estimated at 1.5 million tonnes, largely met through imports (Source: Value Pickr Forum). However, rising logistics costs and the Make in India initiative are expected to encourage domestic substitution.
- India's paper consumption per capita (~15 kg) remains significantly lower than global average (~55 kg), indicating long-term structural growth potential. (Source: Value Pickr Forum)
- Multiple state education boards and public institutions are reverting to physical documentation post-COVID, supporting a moderate but consistent demand outlook.

#### **3. Segmentation & Market Performance**

The paper industry continues to evolve in response to shifting consumption patterns and regulatory influences. Writing and printing paper remains the core of India's domestic production base due to its widespread use across government offices, educational institutions and the publishing sector. Meanwhile, Newsprint is experiencing reduced global traction but India and Southeast Asian markets continue to show stable demand supported by vernacular Newspaper circulation and rural outreach initiatives. The following table summarizes key market segment estimates, highlighting growth opportunities and demand orientation:

**India Paper Industry Segment-wise CAGR (2023–2030)**

Segment	2025 Forecast Value (USD Billion)	CAGR (2023–2030)	Key Drivers
Writing & Printing Paper	29.2	3.5%–5.0%	Education, exams, government usage
Newsprint	12.1	2.0%–3.0%	Literacy growth (India), publishing

Source: PwC India Paper Market Outlook, 2024 and IPMA Industry Snapshot

**4. Key Industry Trends****Resilience in Print Segment:**

- Despite digital adoption, writing & printing paper in India continues to witness demand in Government offices, Courts and Schools.
- Regional and Vernacular newspaper consumption is keeping newsprint demand relevant in India.
- Examinations, competitive assessments and entrance tests across public institutions continue to rely on physical paper formats.
- Print media remains a preferred communication channel for rural outreach and Government advertisements in regional languages.

**5. Shift Towards Recycled Inputs:**

- Writing & Printing paper production in India is increasingly shifting to recycled fiber due to wood pulp costs and environmental mandates.

**6. Import Dependency for Newsprint:**

- Around 60% of Indian newsprint demand is met through imports, especially from Russia and Canada (Source: Statista Market Forecast). Rupee depreciation and freight increase are raising domestic substitution potential.

**Paper Price Trend (2023–2025):** Price trends for key paper grades in the Indian market have remained relatively stable in early 2025, supported by demand from Government procurement and institutional buyers. While input costs have fluctuated due to global pulp price volatility and logistics challenges, paper manufacturers have managed to maintain margin stability through supply rationalization and recycled fiber optimization. The following table presents an overview of prevailing average prices for newsprint and writing & printing paper:

Product	Avg Price Q1 2025	Change YoY
Newsprint (Domestic)	INR 39–44/kg	Stable
WPP – Maplitho 70 GSM	INR 55–58/kg	+6%
WPP – Copier 75 GSM	INR 62–65/kg	+4.5%

Source: Marketing Survey Carried out by Mktg. Deptt. (Customer Meet through VC on 26.4.2025)

**7. Post RMDP Scenario**

Following the commissioning of the RMDP, higher raw material and coal consumption was observed primarily due to aged ONP stock, suboptimal equipment load, integration challenges between old and new systems and lack of skilled manpower owing to VRS and recruitment freeze.

COVID-19 disruptions, delayed vendor support and working capital constraints further impacted efficiency. Despite these challenges, Nepa Limited has undertaken multiple corrective measures, including internal audits, operator retraining, DIP optimization, boiler and turbine efficiency improvements and strategic procurement practices.

These initiatives have started showing reduction in specific consumption of coal, chemical and power. After the substantial completion of work in RMDP, some of the left-over critical repairs and availability of the spares due to lack of funds have created obstacles for continuous plant operations.

To address this, a proposal amounting to ₹248 crore has been submitted to the Ministry of Heavy Industries covering working capital requirements meeting financial liabilities and provision for critical repairs/spares.

Post-RMDP, NEPA Limited continued producing newsprint due to the need for stabilizing vintage machinery and the absence of critical infrastructure like a size press, which limited immediate commercial-scale production of surface-sized WPP grades. Despite TEV recommending a 60% WPP mix, technical constraints, market entry challenge and COVID-related disruptions necessitated a cautious, phased approach.

Nevertheless, NEPA has sold all its first quality Newsprint inventory. The company is in the process of aligning towards a 60:40 WPP to NP production ratio, reaffirming its commitment to achieving the objectives set under RMDP.

### 8. Implications for Nepa Ltd

- (a) Nepa Ltd., with its capability in 42 GSM newsprint and WPP (56–75 GSM), has a niche advantage.
- (b) Domestic demand for WPP through tenders and educational institutions can be strategically targeted.
- (c) Improving brightness, sizing and finish with Capex (e.g., Size Press) will make Nepa products more competitive.
- (d) Opportunity exists to replace imported Newsprint through price-competitive domestic production.

### 9. Strategic Recommendations

- (a) **Optimize Raw Material Mix:** Increase recycled fiber and manage imported pulp judiciously.
- (b) **Target Institutional Buyers:** Centre and State education boards and printing presses.
- (c) **Enhance Finishing Capabilities:** Install size press and upgrade calendering.
- (d) **Improve Cash Flow Cycles:** Focus on advance orders from Central/ State Government institutions.
- (e) **Strengthen Domestic Marketing:** Highlight low-carbon and Indian-origin products under flagship missions of Gol “Aatmanirbhar Bharat” and “Vocal for Local”

### 10. Conclusion

The outlook for Newsprint and Writing & Printing Paper in India remains cautiously optimistic, even as global markets soften. Nepa Ltd. is well-aligned to serve institutional and vernacular media needs. By focusing on value-added WPP grades and import substitution of newsprint, Nepa can achieve sustainable growth and profitability.

Despite the modest pace of market expansion, the present management at Nepa Ltd. is committed to revitalizing operations and positioning the company as a self-reliant, future-ready enterprise. Focused investments in quality improvement, operational efficiency and strategic procurement are already underway. Through proactive engagement with integrated pulp and paper manufacturers, adoption of sustainable raw material strategies and consistent financial discipline, the company is poised for moving towards self-sustainability.

Stakeholders can be assured that the roadmap being implemented is aligned with long-term profitability and resilience. Nepa Ltd.'s modernization initiatives, coupled with its legacy expertise and Government backing, reinforce confidence in its ability to thrive amidst evolving market conditions.

#### For & on behalf of Board

Date: 07.08.2025

Place: New Delhi

CMDE. ARVIND VADHERA(Retd.), VSM

Chairman-cum-Managing Director

DIN: 11104498

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 31<sup>st</sup> March, 2025

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and Description Of main products/services	NIC Code of the Product/service	% total turnover Of the company
1	Newsprint	4801	68.20%
2	Sale of Petrol & Diesel	47300	27.65%

## 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
<b>a) Individual/HUF</b>									
<b>b) Central Govt.</b>	-	120429734	1204297344	97.47	-	1204297344	1204297344	97.47	-
<b>c) State Govt.</b>	-	30537290	30537290	2.47	-	30537290	30537290	2.47	-
<b>d) Bodies Corp.</b>	-				-				-
<b>e) Banks/FI</b>	-				-				-
<b>f) Any Other</b>	-				-				-
<b>Sub-total (A) (1): -</b>	-	1234834634	1234834634	99.94	-	1234834634	1234834634	99.94	-
<b>(2) Foreign</b>	-				-				-
<b>a) NRIs-Individuals</b>	-				-				-
<b>b) Other-Individuals</b>	-				-				-
<b>c)Bodies Corp.</b>	-				-				-
<b>d)Banks/FI</b>	-				-				-
<b>e) Any Other</b>	-				-				-
<b>Sub-total(A)(2): -</b>	-				-				-
<b>Total Shareholding of Promoters (A)=(A)(1) +(A)(2)</b>	-	1234834634	1234834634	99.94	-	1234834634	1234834634	99.94	-
<b>B. (1) Public Shareholding</b>	-				-				-
<b>a) Mutual Funds/Banks/FI</b>	-				-				-
<b>b) Central Govt.</b>	-				-				-
<b>c) State Govt.(s)</b>	-				-				-
<b>d) Venture Capital Funds</b>	-				-				-
<b>e) Insurance Companies</b>	-				-				-
<b>f) FIs</b>	-				-				-
<b>g) Foreign Venture Capital Funds</b>	-				-				-
<b>h) Others (Specify)</b>	-				-				-
<b>Sub-Total(B)(1): -</b>	-				-				-
<b>(2) Non-Institutions</b>	-				-				-

<b>a) Bodies Corp.</b>	-				-				-
<b>(i) Indian</b>	-				-				-
<b>(ii) Overseas</b>	-				-				-
<b>b) Individuals</b>	-				-				-
<b>Individual shareholders Holding Nominal Share Capital up to Rs. 1 Lakh</b>	-	654930	654930	0.05	-	654930	654930	0.05	-
<b>(i) Category-wise Share Holding: i) Individual shareholders Holding Nominal Share Capital in excess of Rs.1Lakh</b>	-				-				-
<b>(C) Others, Hindu Undivided Family</b>	-				-				-
<b>(d) NRI's</b>	-				-				-
<b>Sub Total(B)(2): -</b>	-	654930	654930	0.05	-	654930	654930	0.05	-
<b>Total Public Shareholding(B)=(B1)+(B)(2)</b>	-	654930	654930	0.05	-	654930	654930	0.05	-
<b>C. Share held by Custodian for GDRs &amp; ADRs</b>	-				-				-
<b>Grand Total (A+B+C)</b>	-	1235489564	1235489564	100	-	1235489564	1235489564	100	-

## (ii) Shareholding of Promoters:

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	-	-
	<b>Total</b>	<b>1234834634</b>	<b>99.94</b>	<b>-</b>	<b>1234834634</b>	<b>99.94</b>	<b>-</b>	<b>-</b>

## (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		Changes During the year	Reason	Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	Increase/D decrease		No. of shares	% of total shares of the year
1.	President of India	1204297344	97.47%	No change During the Year		1204297344	97.47%
2.	Governor of MP	30537290	2.47%	No change During the Year		30537290	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	KAUSHIKS.BHATT	11000	0.00		-		11000	0.00
2	AMMARAYAZ	5000	0.00		-		5000	0.00
3	RAJUBHANDARI	5000	0.00		-		5000	0.00
4	MAHARAJA PRAVINCHANDRA	4000	0.00		-		4000	0.00
5	NARINDRAKAUR SACHDEVA	2500	0.00		-		2500	0.00
6	GOVINDPRASADK. PODDAR	2200	0.00		-		2200	0.00
7	HIGHNESSM.K. MODINIDEVI	2000	0.00		-		2000	0.00
8	AMEETR.SUCHDE	2000	0.00		-		2000	0.00
9	YASHPALKHANNA	1850	0.00		-		1850	0.00
10	CHUNILAL GAGALDASSHAH	1580	0.00		-		1580	0.00

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

Sr. No.	Name of Directors and KMP	Shareholding at the beginning of the year			Changes During the year			Cumulative Shareholding during the year	
		Date	No. of shares	%of total shares of the company	Date	Increase/ Decrease	Reason	No. of shares	%of total shares of the company
<b>NIL</b>									

**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
<b>Indebtedness at the beginning of the financial year</b>				
i)Principal Amount	1650.09	24680.00	-	26330.09
ii)Interest due but not paid	0	30633.29	-	30633.29
iii)Interest accrued but Not due	0	853.44	-	853.44
<b>Total (i+ii+iii)</b>	<b>1650.09</b>	<b>56166.73</b>	<b>-</b>	<b>57816.82</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1781.64	-		1781.64
Reduction	-	-		-
<b>Net Change</b>	<b>1781.64</b>			<b>1781.64</b>
<b>At the end of the financial year</b>				
Principal Amount	3431.73	24680.00		28111.73
Interest due but not paid	0	36051.64		36051.64
Interest accrued but not due	0	926.81		926.81
<b>Total (i+ii+iii)</b>	<b>3431.73</b>	<b>61658.45</b>		<b>65090.18</b>

**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
1	Gross Salary	-	-
	(a) Salary as per provisions contained under section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary U/s 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)	-	-
	<b>Ceiling as per the Act</b>	<b>N.A.</b>	

**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	26000	<b>26000</b>
	Commission	-	<b>0</b>
	Others, please specify	-	<b>0</b>
	Total(1)	-	<b>0</b>
2	Other Non-Executive Directors	NA	<b>NA</b>
	Fee for attending board/	-	-
	Commission	-	-
	Others, please specify	-	-
	Total(2)	-	-
	Total(B)=(1+2)	-	-
	Total Managerial Remuneration	NA	<b>NA</b>
	<b>Overall Ceiling as per the Act</b>	<b>Sitting fee paid to independent directors is within overall ceiling as per Companies Act,2013.</b>	

**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. Nidhi Mishra	Shri Vikas Reddy	
1	Gross salary		6.38	7.79	<b>14.17</b>
	(a)Salary as per provisions contained under section17(1) of the Income- tax Act,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...	NIL	-	-	-
5	Others, please specify		-	-	-
	<b>Total(C)</b>		<b>6.38</b>	<b>7.79</b>	<b>14.17</b>

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B.DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

Subhash Chand Jain Anurag & Associates  
Chartered Accountants  
104, Archana Apartment, 8-B, Ratlam Kothi, Indore – 452 001 (M.P.)  
Ph: 2519439, 2527682  
Mob No: +91-93021-23882  
[Email: scjainca2004@yahoo.com](mailto:scjainca2004@yahoo.com)



### Independent Auditors' Report

To,  
The Members,  
NEPA Limited,  
Nepanagar (MP)

### **Report on the Audit of the Financial Statements**

#### **I. Qualified Opinion**

We have audited the accompanying financial statements of NEPA Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2025, 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 possible effects of the matter described in the basis for Qualified Opinion paragraph below**, the aforesaid financial statements give the information required by the Companies Act 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2025;
- in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- in the case of the Statement of Cash Flow, of the cash flows for the year ended on that date.

#### **II. 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 (P.Y. ₹ 3000 Lakhs) within the prescribed time limit as per the provisions of section 42 of the Companies Act, 2013. As informed by the management, the company is in process of partial allotment of preference share. This fund was specifically allotted for granting VRS to employees and the amount of ₹ 1100 Lakhs (P.Y. ₹ 1100 Lakhs) is pending to be utilized.

##### **2. Property, Plant and Equipment**

The Company dismantled certain assets in the process of installing new Plant and Machinery. As per Paragraph 41 of Accounting Standard (AS) 10 – Property, Plant, and Equipment, the carrying amount of assets replaced is required to be derecognized in accordance with the de-recognition provisions. However, assets with a net carrying value of ₹ 96.21 Lakhs (P.Y. ₹ 96.21 Lakhs), which have been discarded, but continue under Property, Plant, and Equipment in the Balance Sheet, against which a provision for their carrying amount has been created. The write-off of these assets is pending approval from the Competent Authority. In the absence of physical verification, we are unable to confirm the existence of these assets in their entirety. Furthermore, some of these discarded assets may no longer exist and should have been written off.

### 3. Internal Financial Controls

We have observed certain deficiencies in the design and operating effectiveness of the Company's internal financial controls over financial reporting, particularly in area of bank reconciliation processes along with other weakness in internal control as reported in **Annexure-C** of Independent Audit Report attached separately.

Further, The bank reconciliation process is currently manual, resulting in delays in its timely completion. Although the majority of transactions are processed through banking channels, some transactions continue to be routed through physical cheques. These cheque-based transactions remain open and unreconciled for some periods, indicating potential weaknesses in both the reconciliation process and overall cash management.

These control deficiencies highlight the need for immediate corrective actions to strengthen internal financial controls and ensure accurate and timely financial reporting. The implementation of an integrated ERP system is recommended, as it would significantly enhance process, efficiency and help mitigate the associated risks.

### 4. Trade Receivables

Trade receivables amounting to ₹ 204.87 Lakhs (P.Y. ₹ 305.01 Lakhs) have been classified as unsecured, considered Good and ₹ 274.19 Lakhs (P.Y. ₹ 274.19 Lakhs) have been classified as doubtful, against which a provision of ₹ 274.19 Lakhs (P.Y. ₹ 274.19 Lakhs) has been made. However, trade receivables have been presented net of credit balances amounting to ₹ 13.31 Lakhs i.e. Advance from Trade Receivables which is appearing for prolonged period. As a result, the provision has been computed after netting off these credit balances rather than on the gross debit balances as per the past practice. Consequently, the provision for doubtful debts is understated, and the reported profit is overstated to the extent of the unprovided amount.

### 5. Other Receivables

Water supply charges recoverable from NEPA Nagar Palika ₹ 767.91 Lakhs (P.Y. ₹ 604.59 Lakhs). A provision of ₹ 233.81 Lakhs (P.Y. ₹ 233.81 Lakhs) has been made against these receivable. 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 ₹ 302.65 Lakhs (P.Y. ₹ 315.44 Lakhs), against which a provision for doubtful recovery of Township Rent amounting to ₹ 20.92 Lakhs (P.Y. ₹ 20.92 Lakhs) has been made. This provision is inadequate considering the period of non-recovery of such rent. Consequently, the provision for doubtful recovery is understated, and the reported profit is overstated to the extent of the unprovided amount.

### 6. Trade Creditor and Trade Payables

The company has manual 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 all Creditors amounting to ₹ 1101.74 Lakhs. Confirmation was received from some, company needs to strengthen the Balance Confirmation process and ensure matching of Balances provided by Vendor with Ledger balances.

### 7. Board Composition – Non-compliance with Section 149 of the Companies Act, 2013

The Board of Directors of the Company was not constituted in accordance with the provisions of Section 149(4) of the Companies Act, 2013, which mandates the appointment of a minimum of two

Independent Directors for certain classes of public companies. As at March 31, 2025, the Company had only one Independent Director on its Board, which is not in compliance with the statutory requirement.

As informed to us, the Company has notified the Ministry of Heavy Industries (MHI), the concerned administrative authority, regarding the vacancy of the Independent Director(s) on the Board. However, as of the date of this report, the Board does not have the optimum combination of Functional, Nominee, and Independent Directors as required under the Act.

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.

### III. **Emphasis of Matter**

1. We draw attention to **Note No. 07.02: Non-Creation of Charge-OD Against FDR:** The Company has availed an overdraft facility of ₹ 3431.73 Lakhs (P.Y. ₹ 1650.09 Lakhs) from Bank of India secured against company's own fixed deposits. However, the Company has not complied with the provisions of Section 77 of the Companies Act, 2013 read with Rule 3 of the Companies (Registration of Charges) Rules, 2014, which require creation and registration of the charge with the Registrar of Companies within the prescribed time. Consequently, the said charge has not been registered with the Registrar of Companies as required under the aforesaid provisions.
2. We draw attention to **Note No. 08.03: Non-Compliance with MSMED Act, 2006:** The Company has identified its suppliers registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, to the extent of confirmations and information received from such suppliers. There have been delays in payments to certain MSME creditors beyond the prescribed timelines under the Act. As informed, the delays were primarily due to constraints in availability of funds.

The company has not deduct the TDS under the provisions of The Income Tax Act, 1961 on Interest paid to MSME Vendors of ₹ 25.33 Lakhs on Amount of ₹ 362.41 which is overdue more than 15/45 days.

3. We draw attention to **Note No. 09.01:** The Company Has Received Advances from Customers Amounting to ₹ 12.06 Lakhs against the Supply of Goods and Services, Which Have Remained Outstanding for More Than 365 Days As At March 31, 2025.

In Terms Of Rule 2(1)(Xii)(A) Of The Companies (Acceptance Of Deposits) Rules, 2014 Read With Section 73 Of The Companies Act, 2013, Such Amounts Are To Be Adjusted Against The Supply Of Goods Or Services Within 365 Days from the date Of Receipt. The Company Has Not Adjusted or Refunded Such Amounts Within said Prescribed Time Period, Which May Be Considered as Non-Compliance with the Aforesaid Provisions and Consequently, The Amount Is Deemed to Be a

Deposit.

The Company Has Not Complied With The Provisions Applicable for Acceptance of Deposits In Respect Of The Aforesaid Amount.

4. We draw attention to **Note No. 15.02**: The Company Has Received Advances from Customers Amounting to ₹ 13.31 Lakhs against the Supply of Goods and Services, Which Have Remained Outstanding for More Than 365 Days As At March 31, 2025.

In Terms Of Rule 2(1)(Xii)(A) Of The Companies (Acceptance Of Deposits) Rules, 2014 Read With Section 73 Of The Companies Act, 2013, Such Amounts Are To Be Adjusted Against The Supply Of Goods Or Services Within 365 Days From The Date Of Receipt. The Company Has Not Adjusted or Refunded Such Amounts Within said Prescribed Time Period, Which May Be Considered as Non-Compliance with the Aforesaid Provisions and Consequently, The Amount Is Deemed to Be a Deposit.

The Company Has Not Complied With The Provisions Applicable For Acceptance Of Deposits In Respect Of The Aforesaid Amount.

5. We draw attention to **Note No. 17.01**: Claim receivable included ₹ 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 ₹ 340.64 lakhs is created and remaining amount is ₹ 386.09 lakhs not created. By virtue of this deficit is shown lower receivable and lower of bad and doubtful claim as well as other expenses (Note No. 26) by ₹ 386.09 Lakhs.
6. We draw attention to **Note No. 39.2 (A)(c)(IX)**: Company has received demand note in earlier year of Rs. 1469.62 lakh for property tax w.e.f 01/04/2017. But no provision has been made for such amount in the books of accounts in current year as per AS-29, due to company has submitted representation before the Nagar Palika Parisad Authority on which sub-collector was assured for call a meeting for finalization of the assessment.
7. We draw attention to **Note No. 46**: The GST records of the Company are not reconciled with the balances appearing in the books of accounts. The balance of GST as per GST Portal is ₹ 3148.27 Lakhs and Balance as per Books is ₹ 3371.04 Lakhs difference of ₹ 222.77 Lakhs. No reconciliation is made for the said difference. Further, VAT records of the Company are not reconciled with the balances appearing in the books of accounts.

#### IV. **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 ₹ 94855.61 Lakhs against share capital of ₹ 69432.78 Lakhs. The net current liability exceeds its current assets by ₹ 53687.34 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 is continue to 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.

## **V. Information Other than the Financial Statements and Auditor's Report Thereupon**

The Company's Board of Director 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 financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appear 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.

## **VI. Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Director is responsible for the matter stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 Director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless the Board of Director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## **VII. 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 user 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 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 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 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 financial statements, including the disclosures, and whether the 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 matter, 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 matter that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **VIII. 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 matter specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under Section 143 (5) of the Companies Act, 2013, we give in the **"Annexure – B"**, a statement on the Directions issued by the Comptroller and Auditor General of India after

complying with their suggested methodology of audit, the action taken thereon and its impact on the accounts and Financial Statements of the Company;

3. As required by Section 143(3) of the Act, we report that:

- a) We have sought and *except for matter 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 matter 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 appear 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 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) In terms of Notification no. G.S.R. 463 (E) dated 05th June 2015 issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualifications of the Directors, are not applicable as it is a Government Company; and
- g) The qualification relating to the maintenance of accounts and other matter connected therewith are as stated in the Basis for Qualified Opinion paragraph above and **in our separate Report in "Annexure C"** below.
- h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company, **refer to our separate Report in "Annexure C"**. Our report expresses a modified opinion on internal financial controls with reference to financial statements.
- i) With respect to the other matter 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 matter to be included in the Auditor's Report in accordance with 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 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, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall,

- 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, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures as 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 (iv) (a) and (iv) (b) contain any material Mis-statement.
- 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. Pursuant to the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion, the Company has used accounting software for maintaining its books of account; however, such software **does not have the feature of recording an audit trail (edit log)** as mandated.

Consequently, **the audit trail of each and every transaction has not been maintained and preserved by the Company** during the financial year ended March 31, 2025, in accordance with the prescribed statutory requirements.

**For Subhash Chand Jain Anurag & Associates**  
**Chartered Accountants**  
**FRN-004733C**

**Akshay Jain**  
**Partner**

**M. No. 447487**

**UDIN: - 25447487BMICRV9244**

**Place : Napanagar**

**Date: 26/06/2025**

**Annexure –‘A’ to the Independent Auditor’ Report**  
**(On the Financial Statements of NEPA Limited for the year ended 31st March 2025)**

**(Referred to Point No. 1 of paragraph VIII under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we report that:

**(i) In respect of its Property, plant & equipment and Intangible Assets:**

- a) The company is maintaining proper records showing full particular, 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.

The company is maintaining records on a yearly basis for additions/deletions made during that year showing full particular of intangible assets.

- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, The Company has a regular program of physical verification of its property, plant and equipment (except discarded assets) under which the assets are physically verified in a phased manner at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. In accordance with this program, property, plant and equipment, were verified once in two year and no material discrepancies were noticed on such verification.
- 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 or intangible assets or both in 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) In respect of Inventory and Working Capital**

- 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. Further, as per the records available with the management, no material discrepancies remains unadjusted were noticed on such physical verification.
- b) As informed and explained to us, the Company has been sanctioned working capital OD Facility in excess of ₹ 5 crores in aggregate during the year from banks. An overdraft facility amounting to ₹ 3431.73 lakhs has been availed from Bank of India against Own Fixed Deposit Receipts (FDRs). Since the facility is fully secured by FDRs, hence, the Company is not required to submit quarterly returns or statements of current assets to the bank.

**(iii) In respect of Investments Loan, Guarantee or Security given by Company**

- a) The Company has not provided any loans or advances in the nature of loans, or stood guarantee, or provided security to any other entity during the year. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable.
- b) In view of the above, since no loans or advances in the nature of loans have been granted, the question of whether the investments made, guarantees provided, security given and the terms and conditions thereof are prejudicial to the interest of the Company does not arise. Therefore, reporting under clause 3(iii)(b) of the Order is not applicable.
- c) Since the Company has not granted any loans or advances in the nature of loans, the requirement to report whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular, is not applicable. Hence, clause 3(iii)(c) of the Order is not applicable.
- d) As no such loans or advances have been granted, the requirement to report any amount overdue for more than ninety days is not applicable. Hence, clause 3(iii)(d) of the Order is not applicable.
- e) The Company has not renewed or extended any existing loans, or granted any fresh loans to settle the overdue of existing loans given to the same parties. Accordingly, clause 3(iii)(e) of the Order is not applicable.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Accordingly, clause 3(iii)(f) of the Order is not applicable.

**(iv) In respect of Loan to Directors and Investment by the Company**

In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, or provided any guarantees or security as specified under Section 185 of the Act during the year. The Company has not made any investment as specified under section 186 of the Act, Thus comment regarding any loans or provided any security to the parties covered under Section 186 of the Act of the said order are not applicable to the company. Hence comment on clause iv, is not applicable.

**(v) In respect of Deposits Accepted by the Company**

According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under except :

- a. The Company has received advances from trade receivables amounting to ₹ 25.37 lakhs against the supply of goods and services, which have remained outstanding for more than 365 days as at March 31, 2025.

In terms of Rule 2(1)(xii)(a) of the Companies (Acceptance of Deposits) Rules, 2014 read with Section 73 of the Companies Act, 2013, such amounts are to be adjusted against the supply of goods or services within 365 days from the date of receipt. The Company has not adjusted or refunded such amounts within the prescribed time period, which may be considered as non-compliance with the aforesaid provisions and consequently, the amount is deemed to be a deposit.

**(vi) In respect of Cost Records Maintenance**

We have broadly reviewed the books of Account maintained by the company pursuant to the order of the central government for the maintenance of cost record u/s 148(1) of the company act 2013 in respect of the product dealt with by the company and are opinion that prime facie the prescribed account and record have been made and maintained.

The Cost auditor has reported that company is applying WDV method for calculating depreciation on Property, Plant and Equipments but in actual the company follows Straight line method.

**(vii) In respect of payment of Statutory Dues**

- 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, 2025 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given and records made available to us, the company has no outstanding statutory dues which have not been deposited as on March 31, 2025 on account of disputes, except the cases listed below:-:

Nature of the Statute	Nature of the Dues	FY	Amount (₹ in Lakhs)	Forum where dispute is pending
MP Entry Tax, 1976	Entry Tax	2008-09	4.49	M.P. Commercial Tax Appellate Board, Indore
Madhya Pradesh Value Added Tax Act, 2002	VAT Tax	2009-10	75.65	M.P. Commercial Tax Appellate Board
MP Entry Tax, 1976	Entry Tax	2009-10	7.16	M.P. Commercial Tax Appellate Board
Madhya Pradesh Value Added Tax Act, 2002	VAT Tax	2010-11	10.42	M.P. Commercial Tax Appellate Board
Madhya Pradesh Municipal Corporation Act, 1961	Property Tax and Interest Thereon	1993-94 to 2022-23	202.01	M.P. High Court, Jabalpur Bench
Madhya Pradesh Krishi Upaj Mandi Act, 1972	Mandi Tax	1998	35.95	M.P. High Court, Jabalpur
Madhya Pradesh Value Added Tax Act, 2002	VAT Tax	2017-18	1.10	M.P. Commercial Tax Appellate Board
Madhya Pradesh Value Added Tax Act, 2002	VAT Tax	2018-19	0.71	M.P. Commercial Tax Appellate Board
Goods and Services Act, 2017	GST Tax	July 2017 to March 2020	867.50	Appellate Authority Indore
Goods and Services Act, 2017	GST Tax	July 2017 to March 2018	540.55	Appellate Authority Indore
Income Tax Act, 1961	Income Tax	FY 2017-18	204.37	ADDL / JCIT (A)-1 Guwahati
Employees' Provident Funds and Miscellaneous Provisions Act, 1952,	EPF	2014-2017	386.09	CGIT, JABALPUR

**(viii) In respect of Unrecorded Transactions of Income**

According to the information and explanations given to us and on the basis of our examination of the records made available to us by the management and on the basis of our test checks performed during the Audit, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 (43 of 1961) as income during the year. Hence comment on clause (viii) of the said order is not applicable.

**(ix) In respect of Repayment of Loans and Borrowings**

- a) According to the information and explanations given and records made available to us, There are no defaults as on the Balance Sheet date in repayment of the loans and interest thereon except in following cases:

(₹ in Lakhs)

Nature of Borrowing including debt securities	Name of Lender	Amount Not Paid on Due Date	Whether Principal or Interest	No. of days delay or unpaid	Remarks, if any
No. 7(10)/2011 PE VII-I) DT 02-07-2012	Government of India	4106.95	Both Principal and Interest	2825	
No. 7(10)/2011 PE VII-II) DT 02-07-2012	Government of India	1134.96	Both Principal and Interest	2825	
No. 7(10)/2011 PE VII-I) DT 18-03-2013	Government of India	4061.79	Both Principal and Interest	2565	
No. 7(10)/2011 PE VII-II) DT 18-03-2013	Government of India	465.99	Both Principal and Interest	2565	
No. 7(9)/2013/PE-VII (I) DT 16-09-2013	Government of India	6046.59	Both Principal and Interest	2446	
No. 7(9)/2013/PE-VII (II) DT 16-09-2013	Government of India	1131.21	Both Principal and Interest	2446	
No. 7(9)/2013/PE-VII (I) DT 12-03-2014	Government of India	3746.34	Both Principal and Interest	2208	
No. 7(9)/2013/PE-VII (I) DT 12-03-2014	Government of India	407.21	Both Principal and Interest	2208	
No. 7(13)/2013/PE-VII DT 07-03-2014	Government of India	6144.03	Both Principal and Interest	1115	
No. 7(12)/2014/PE-VII DT 08-10-2014	Government of India	4976.03	Both Principal and Interest	1999	
No. 7(12)/2014/PE-VII DT 08-10-2014	Government of India	5949.33	Both Principal and Interest	1999	
No. 7(12)/2014/PE-VII DT 20-01-2020	Government of India	7457.62	Both Principal and Interest	800	
No. 7(12)/2014/PE-VII DT 23-04-2020	Government of India	1355.77	Both Principal and Interest	700	
No. 7(12)/2014/PE-VII DT 17-07-2020	Government of India	2240.08	Both Principal and Interest	615	
No. 7(12)/2014/PE-VII DT 26-08-2020	Government of India	1460.95	Both Principal and Interest	517	
No. 7(12)/2014/PE-VII DT 27-10-2020	Government of India	2865.29	Both Principal and Interest	518	
No. 7(12)/2014/PE-VII DT 26-11-2020	Government of India	1749.88	Both Principal and Interest	486	
No. 7(12)/2014/PE-VII DT 03-03-2021	Government of India	1617.28	Both Principal and Interest	749	
No. 7(12)/2014/PE-VII DT 27-01-2022	Government of India	2602.54	Both Principal and Interest	788	
No. 7(12)/2014/PE-VII/CPSE-III DT 21-03-2022	Government of India	2138.60	Both Principal and Interest	731	
<b>Total Default</b>		<b>61658.45</b>			

- b) According to the information and explanations given and records made available to us, the company was not declared willful defaulter by any bank or financial institution or any other lender. Hence, clause (ix)(b) of the order is not applicable to the Company.
- c) According to the information and explanations given to us by the management and based on our audit procedures, the Company has not been sanctioned any new term loans during the year. However, term loans sanctioned by the Government of India in earlier years have been utilized for the purposes for which the loans were obtained. Hence, clause (ix)(c) of the order is not applicable to the Company.

- d) As per the information & explanations given by the management and on the basis of our test checks performed during the Audit, working capital funds raised on short term basis have not been utilized for long term purpose during the year.
- e) As per the information & explanations given by the management, the company does not have any subsidiary, associate or joint venture during the year. Accordingly, provisions of Para (e) and (f) of the said clause (ix) are not applicable to the Company.

**(x) In respect of Utilization of Public Funds**

- a) As per the information & explanations given by the management and on the basis of our test checks performed during the Audit, the company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

**(xi) In respect of Reporting of Frauds**

- a) As per the information & explanations given by the management and on the basis of our test checks performed during the Audit, no instances of fraud by the company or any fraud on the company by the officers or employees has been noticed or reported during the year.
- b) There has been No instances of fraud reportable under sub-section (12) of section 143 of the Companies Act has been filed by the auditor in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- c) As per the information & explanations given by the management, no whistle-blower complaints received by the company during the year.

**(xii) In respect of Provisions of Nidhi Company**

The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company and hence not reported there upon.

**(xiii) In respect of Related Party Transaction**

In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**(xiv) In respect of Internal Audit System**

- a) In our opinion and based on our examination, the Company has an internal audit system under the section 138 of the act and the commensurate with the size and nature of its business.
- b) The Reports (first six monthly and then Quarterly of Two Quarters) of the Internal Auditors for the period under audit were considered by the statutory auditor.

**(xv) In respect of Non Cash Transaction**

According to the information and explanations given to us, the Company has not entered into any non cash transactions with its directors or directors or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.

**(xvi) In respect of Registration u/s 45-IA of RBI Act, 1934**

- a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

**(xvii) In respect of Cash Losses**

The company has incurred cash losses amounting to ₹ 9266.60 Lakhs in the current financial year and ₹ 9572.00 Lakhs in the immediately preceding financial year.

**(xviii) In respect of Resignation of the Statutory Auditor**

Being a Public Sector Undertaking appointment of auditor is made by C&AG in terms of the relevant provisions of the Companies act 2013, hence statutory auditor of the company M/s A.I. Kothari and Associates, Chartered Accountants, has mandatorily resigned, we have communicated with them. Nevertheless, there have been no issues, objections or concerns raised by the said outgoing statutory auditors of the company.

**(xix) In respect of Financial Position of the Company**

Based on our examination of the financial statements, including the financial ratios, ageing analysis and expected dates of realization of financial assets and payment of financial liabilities, and considering other information accompanying the financial statements and our knowledge of the Board of Directors and management plans, in our opinion, material uncertainty exists as on the date of the audit report regarding the Company's ability to meet its liabilities existing at the balance sheet date as and when they fall due within a period of one year from the balance sheet date.

**(xx) In respect of Corporate Social Responsibilities**

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) In respect of Consolidated Financial Statement**

Since company is not liable to prepare Consolidated Financial Statements, the provisions of the said Clause (xxi) are not applicable to the company.

**For Subhash Chand Jain Anurag & Associates**  
Chartered Accountants  
FRN-004733C

**Akshay Jain**  
Partner

**M. No. 447487**

**UDIN: - 25447487BMICRV9244**

**Place : Napanagar**  
**Date: 26/06/2025**

**Annexure –‘B’ to the Independent Auditor’ Report  
(On the Financial Statements of NEPA Limited for the year ended 31st March 2025)**

(Referred to in paragraph 2 under ‘VIII. Report on Other Legal and Regulatory Requirements’ section of our report of even date)

**Report on Directions & Additional Directions under section 143(5) of Companies Act 2013**

**Directions under section 143(5) of the Companies Act, 2013**

<b>S. No</b>	<b>C&amp;AG Directions</b>	<b>Auditor’s Observations</b>
<b>1</b>	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 it’s financial implications, if any.
<b>2</b>	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.
<b>3</b>	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.	No funds in the nature of grants, subsidies, or other assistance were received or receivable from the Central Government, State Government, or their agencies for any specific schemes during the year. Accordingly, the question of deviation from the terms and conditions of utilization does not arise.

**For Subhash Chand Jain Anurag & Associates  
Chartered Accountants  
FRN-004733C**

**Akshay Jain  
Partner**

**M. No. 447487**

**UDIN: - 25447487BMICRV9244**

**Place : Napanagar**

**Date: 26/06/2025**

**Annexure –‘C’ to the Independent Auditor’ Report****(On the Financial Statements of NEPA Limited for the year ended 31st March 2025)**

**(Referred to point 3(g) of paragraph VIII under ‘Report on Other Legal and Regulatory Requirements’ section of our Report of even date)**

**Report on the Internal Financial Controls with reference to 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 Financial Statements of **NEPA Limited**, (“the Company”), as of 31st March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**I. 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 error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**II. Auditor’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 financial statements.

### **III. 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 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 director 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.

### **IV. Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **V. 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, 2025:

- a) The control with respect to making accounting entries in the books of accounts is not adequate and needs improvement looking to 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 Auditor) 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 vendor 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) 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.

- g) Net Prior period expenses of ₹ 24.11 Lakhs are booked in the current period under various head of Income/Expenses. Thus, net loss of the year has been increased by said amount.
- h) 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 is crucial to address these unreconciled entries promptly to ensure accuracy in financial records and to observe and rectify any potential issues or error 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, 2025. 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, 2025.

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, 2025 of financial statements of the Company, and these material weaknesses do not affect our qualified opinion on the financial statements of the Company.

**For Subhash Chand Jain Anurag & Associates  
Chartered Accountants  
FRN-004733C**

**Place : Nepanagar  
Date: 26/06/2025**

**Akshay Jain  
Partner  
M. No. 447487  
UDIN: - 25447487BMICRV9244**

**NEPA LIMITED**  
CIN:U21012MP1947GOI000636  
REGISTERED ADDRESS : NEPANAGAR, DISTRICT BURHANPUR (M.P.)-452001

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2025**

		NOTE	AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
(₹ In Lakhs)				
<b>I</b>	<b><u>EQUITY AND LIABILITIES</u></b>			
1)	<b>SHAREHOLDER'S FUNDS</b>			
	(a) SHARE CAPITAL	2	69,432.78	69,432.78
	(b) RESERVES & SURPLUS	3	(94,855.61)	(83,717.05)
2)	<b>SHARE APPLICATION MONEY PENDING FOR ALLOTMENT</b>	4	3,000.00	3,000.00
3)	<b>NON-CURRENT LIABILITIES</b>			
	(a) LONG-TERM BORROWINGS	5	3,930.40	6,594.60
	(b) LONG TERM PROVISIONS	6	695.68	889.73
4)	<b>CURRENT LIABILITIES</b>			
	(a) SHORT-TERM BORROWINGS	7	24,181.32	19,735.49
	(b) TRADE PAYABLES	8		
	(I) TOTAL OUTSTANDING DUES OF MICRO ENTRPRISES AND SMALL ENTRPRISES	8a	465.67	584.97
	(II) TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTRPRISES AND SMALL ENTRPRISES	8b	636.07	445.24
	(c) OTHER CURRENT LIABILITIES	9	42,338.01	36,065.47
	(d) SHORT TERM PROVISIONS	10	1,159.65	868.23
	<b>GRAND TOTAL</b>		<b>50,983.98</b>	<b>53,899.46</b>
<b>II</b>	<b><u>ASSETS</u></b>			
1)	<b>NON-CURRENT ASSETS</b>			
	(a) PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	11		
	(i) PROPERTY, PLANT & EQUIPMENT	11a	35,359.32	37,162.61
	(ii) INTANGIBLE ASSETS	11a	-	-
	(ii) CAPITAL WORK IN PROGRESS	11b	442.10	525.37
	(iii) INTANGIBLE ASSET UNDER DEVELOPMENT (ERP)	11c	47.00	4.70
	(b) LONG TERM LOANS & ADVANCES	12	40.76	40.76
	(c) OTHER NON CURRENT ASSETS	13	1.41	1.16
2)	<b>CURRENT ASSETS</b>			
	(a) INVENTORIES	14	1,641.52	2,363.51
	(b) TRADE RECEIVABLES	15	204.87	305.01
	(c) CASH & BANK BALANCES	16	7,321.87	7,842.18
	(d) SHORT- TERM LOANS & ADVANCES	17	1,218.09	1,230.42
	(e) OTHER CURRENT ASSETS	18	4,707.04	4,423.76
	<b>GRAND TOTAL</b>		<b>50,983.98</b>	<b>53,899.46</b>
	SIGNIFICANT ACCOUNTING POLICIES	1		
	NOTES ON FINANCIAL STATEMENTS	02 to 47		
<b>AS PER OUR REPORT OF EVEN DATE ATTACHED</b>				
FOR SUBHASH CHAND JAIN ANURAG AND ASSOCIATES CHARTERED ACCOUNTANTS FRN : 004733C			FOR AND ON BEHALF OF THE BOARD OF DIRECTORS	
CA AKSHAY JAIN PARTNER M.NO. 447487 UDIN : 25447487BMICRV9244	PRADEEP KUMAR NAIK DIRECTOR FINANCE (ADD. CHARGE) DIN: 08676709		CMDE ARVIND VADHERA CHAIRMAN CUM MANAGING DIRECTOR DIN: 11104498	
PLACE: NEPANAGAR DATE: 26/06/2025	NIDHI MISHRA COMPANY SECRETARY M.No. A53762		VIKAS REDDY CHIEF FINANCIAL OFFICER	

NEPA LIMITED  
CIN:U21012MP1947GOI000636  
REGISTERED ADDRESS : NEPANAGAR, DISTRICT BURHANPUR (M.P.)-452001  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025**

(₹ In LAKHS)				
S. NO.	PARTICULARS	NOTE	FOR THE YEAR ENDED 31ST MARCH 2025	FOR THE YEAR ENDED 31ST MARCH 2024
I	REVENUE FROM OPERATIONS	19	4,636.10	12,458.61
II	OTHER INCOME	20	921.50	912.57
III	<b>TOTAL INCOME</b>		<b>5,557.60</b>	<b>13,371.18</b>
IV.	<b>EXPENSES</b>			
(a)	COST OF MATERIALS CONSUMED	21	1,833.39	7,769.37
(b)	PURCHASE OF STOCK-IN-TRADE	22	1,269.43	1,372.55
(c)	CHANGES IN INVENTORIES OF FINISHED GOODS	23(a)	587.91	1,120.86
(d)	CHANGES IN INVENTORIES OF STOCK IN TRADE	23(b)	(7.30)	3.67
(e)	EMPLOYEE BENEFIT EXPENSES	24	2,404.81	1,280.32
(f)	FINANCE COST	25	5,647.93	5,257.47
(g)	DEPRECIATION & AMORTIZATION	11	1,888.53	1,878.19
(h)	OTHER EXPENSES	26	3,071.40	7,364.87
	<b>TOTAL EXPENSES</b>		<b>16,696.10</b>	<b>26,047.31</b>
V	<b>PROFIT/ (LOSS) BEFORE EXCEPTIONAL &amp; EXTRAORDINARY ITEMS</b>		<b>(11,138.50)</b>	<b>(12,676.13)</b>
VI	EXCEPTIONAL ITEMS		-	-
VII	<b>PROFIT/(LOSS) BEFORE EXTRA ORDINARY ITEMS AND TAX</b>		<b>(11,138.50)</b>	<b>(12,676.13)</b>
VIII	EXTRAORDINARY ITEMS		-	-
IX	<b>PROFIT/(LOSS) BEFORE TAX</b>			
X	TAX EXPENSE			
	CURRENT TAX		-	-
	DEFERRED TAX		-	-
XI	<b>PROFIT/(LOSS) FOR THE PERIODS FOR CONTINUING OPERATIONS</b>		<b>(11,138.50)</b>	<b>(12,676.13)</b>
XII	<b>PROFIT/(LOSS) FOR THE PERIODS FROM DISCONTINUING</b>		-	-
XIII	<b>TAX EXPENSE OF DISCONTINUING OPERATIONS</b>		-	-
XIV	<b>PROFIT/(LOSS) FOR THE PERIODS FROM DISCONTINUING</b>			
XV	<b>PROFIT/(LOSS) FOR THE PERIOD</b>		<b>(11,138.50)</b>	<b>(12,676.13)</b>
	EARNING PER EQUITY SHARE			
	BASIC		(0.90)	(1.03)
	DILUTED		(0.90)	(1.03)

SIGNIFICANT ACCOUNTING POLICIES

1

NOTES TO ACCOUNTS

02 to 47

AS PER OUR REPORT OF EVEN DATE  
FOR SUBHASH CHAND JAIN ANURAG AND ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN : 004733C

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

CA AKSHAY JAIN  
PARTNER  
M.NO. 447487  
UDIN : 25447487BMICRV9244

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

CMDE ARVIND VADHERA  
CHAIRMAN CUM MANAGING DIRECTOR  
DIN: 11104498

PLACE: NEPANAGAR  
DATE: 26/06/2025

NIDHI MISHRA  
COMPANY SECRETARY  
M.No. A53762

VIKAS REDDY  
CHIEF FINANCIAL OFFICER

**NEPA LIMITED**  
**CIN:U21012MP1947GOI000636**  
**REGISTERED ADDRESS : NEPANAGAR, DISTRICT BURHANPUR (M.P.)-452001**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2025**

<u>Particulars</u>	<u>Year ended 31st March 2025</u>	<u>Year ended 31st March 2024</u>
<b>(₹ In Lakh)</b>		
<b>A. Cash Flow from Operating Activities</b>		
Net Profit/(Loss) before Extra Ordinary Items and Tax	(11,138.50)	(12,676.13)
<b>Adjustment for:</b>		
Interest Earned	(395.46)	(494.23)
Depreciation	1,888.53	1,878.19
Provisions & Liabilities Written Back	-	-
(Profit)/ Loss on sale of Fixed Assets	-	-
Interest & Finance Charges	5,645.46	5,254.41
	<b>(3,999.97)</b>	<b>(6,037.76)</b>
<b>Operating Profit (before working Capital changes)</b>		
(Increase) / Decrease Inventories	721.99	1,585.80
(Increase) / Decrease Trade and other Receivables	100.14	(288.02)
(Increase) / Decrease Other Bank Balances	0.01	0.01
(Increase) / Decrease Short Term Loan & Advances	12.32	1,298.59
(Increase) / Decrease in Other Current Assets	(283.28)	288.32
Increase / (Decrease) Trade payables	71.53	(36.32)
Increase / (Decrease) in Provisions	97.36	(939.18)
Increase / (Decrease) in Short Term Borrowings	1,781.64	1,650.07
Increase / (Decrease) in Other Current Liabilities	6,272.55	5,457.70
(Increase) / Decrease Other Non-Current Assets	(0.25)	48.69
	<b>8,774.01</b>	<b>9,065.66</b>
Income Tax Paid	-	-
<b>CASH GENERATED FROM OPERATING ACTIVITIES (A)</b>	<b>4,774.03</b>	<b>3,027.90</b>
<b>B. Cash flow from Investing activities</b>		
(Purchase)/ Sale of Property, Plant & Equipments	(85.24)	(433.49)
Investment in RMDP Project (CWIP)	83.19	(50.15)
(Purchase)/Sale of Intangible Assets under development	(42.30)	-
(Increase)/Decrease in Long Term Loans & Advances	-	(14.99)
(Increase)/Decrease in Fixed Deposit	(2,666.43)	613.78
Interest Earned	395.46	494.23
<b>CASH GENERATED FROM INVESTING ACTIVITIES (B)</b>	<b>(2,315.31)</b>	<b>609.38</b>
<b>C. Cash flow from Finance Activities</b>		
Bank Overdraft	-	-
Transfer from Subsidy Reserve during the year	-	-
Proceeds of GOI Loan	(0.00)	-
Interest and Financial charges paid	(5,645.46)	(5,254.41)
Proceeds from Share Application Money	-	-
<b>CASH GENERATED FROM FINANCING ACTIVITIES (C)</b>	<b>(5,645.46)</b>	<b>(5,254.41)</b>
<b>Net inflow/outflow in cash &amp; cash equivalents (A-B-C)</b>	<b>(3,186.74)</b>	<b>(1,617.13)</b>
Add:- Opening Cash and Cash equivalents	5,384.54	7,001.67
Closing Cash & Cash equivalents	<b>2,197.80</b>	<b>5,384.54</b>

**Components of Cash and Cash Equivalents**

<u>Particulars</u>	<u>Year ended 31st March 2025</u>	<u>Year ended 31st March 2024</u>
<b>(₹ In Lakh)</b>		
A) Cash In Hand	3.45	2.13
B) Balance With Schedule Banks	1,539.31	4,601.54
C) FDR Matured Within 3 Month	655.04	780.87
<b>Total</b>	<b>2,197.80</b>	<b>5,384.54</b>

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 ₹ 7321.87 Lakhs (Previous Year ₹ 7842.18 Lakhs) includes Cash & Cash Equivalents of ₹ 2197.81 Lakhs (Previous Year ₹ 5384.54 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 SUBHASH CHAND JAIN ANURAG AND ASSOCIATES  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FRN : 004733C  
CA AKSHAY JAIN  
PARTNER  
M.NO. 447487  
UDIN : 25447487BMICRV9244

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

CMDE ARVIND VADHERA  
CHAIRMAN CUM MANAGING

PLACE: NEPANAGAR  
DATE: 26/06/2025

NIDHI MISHRA  
COMPANY SECRETARY  
M.No. A53762

VIKAS REDDY  
CHIEF FINANCIAL OFFICER

## Notes on Financial Statements for the year ended on 31<sup>st</sup> March 2025

### 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 26<sup>th</sup> 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 22<sup>nd</sup> 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 capitalized and added in the carrying amount of the asset of such item. The carrying amount of those spare parts that are replaced is derecognized 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 Adopted	Period for Depreciation As per Part-C Schedule-II	Difference
Plant and Machinery and water works	18 years	15 Years	3 years
Railway Siding	18 years	15 Years	3 Years
Diesel Generator Set	10 years	15 Years	5 years
Tractor & Oil Engines	10 years	8 Years	2 Years
Fire Extinguisher Equipment	10 years	5 years	5 years
Factory Building	30 years	60 years	30 years
Electrical and Water Installation	60 Years	30 Years	30 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 amortization and any accumulated impairment losses.

##### Subsequent expenditure

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

##### Amortization

Amortization 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 amortization in Statement of Profit and Loss.

Amortization 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 recognized in the Statement of Profit and Loss when the asset is derecognized.

#### 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 realizable 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 Realizable Value ( Sales price less any expenses on sale)
- (vii) Stock of coal cinder and coal scrap is 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.
- (viii) No adjustment is made for self-consumption of newsprint and re-pulping of rejected and old stock of newsprint.
- (ix) Shortage/excess found during physical verification of inventories is adjusted to consumption.
- (x) 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 employee's 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 recognized in the books for the all the timing differences. This is based on the principle that the financial statements for a period should recognize the tax effect, whether current or deferred, of all the transactions occurring in that period.

However deferred tax assets should be recognized 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 realized.

Thus the company has not provided for Deferred Tax resulting from timing differences between taxable incomes 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 realized.

#### **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 realized or intended to be sold or consumed in normal operating

- cycle;
- b. Held primarily for the purpose of trading;
- c. Expected to be realized 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 recognized 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

CIN:U21012MP1947GOI000636

REGISTERED ADDRESS : NEPANAGAR, DISTRICT BURHANPUR (M.P.)-452001

**NOTES ON FINANCIAL STATEMENT AS AT 31ST MARCH 2025**

**NOTE NO. 02**

**SHARE CAPITAL**

S. NO.	PARTICULARS	(₹ In Lakhs)	
		AMOUNT AS AT 31ST MARCH 2025	AMOUNT AS AT 31ST MARCH 2024
<b>I. AUTHORISED SHARE CAPITAL</b>			
a)	1,29,83,40,000 EQUITY SHARE OF ₹ 5/- EACH (PREVIOUS YEAR 1,29,83,40,000 EQUITY SHARE OF ₹ 5/- EACH)	64,917.00	64,917.00
b)	15,08,300, 7% NON- CUMULATIVE PREFERENCE SHARE OF ₹ 1000 EACH. (PREVIOUS YEAR 15,08,300, 7% NON- CUMULATIVE PREFERENCE SHARE OF ₹ 1000/- EACH) (REFER NOTE NO. 29 OF NOTES TO ACCOUNTS)	15,083.00	15,083.00
		<b>80,000.00</b>	<b>80,000.00</b>
<b>II. ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>			
a)	1,23,54,89,564 EQUITY SHARES OF ₹ 5/- EACH FULLY PAID UP (PREVIOUS YEAR 1,23,54,89,564 EQUITY SHARES OF ₹ 5/- EACH FULLY PAID UP )	61,774.48	61,774.48
Add:	FORFEITED EQUITY SHARES 97,780 (97,780) EQUITY SHARE OF ₹ 10/-EACH FULLY PAID UP	4.30	4.30
		<b>61,778.78</b>	<b>61,778.78</b>
b)	7% NON CUMULATIVE PREFERENCE SHARE 7,65,400 OF ₹ 1,000/- EACH  (PREVIOUS YEAR 7,65,400 PREFERENCE SHARE OF ₹ 1,000/- EACH) <b>TOTAL (A+B)</b>	7,654.00	7,654.00
		<b>69,432.78</b>	<b>69,432.78</b>
<b>III. PAR VALUE PER SHARE</b>			
	1,23,54,89,564 EQUITY SHARES	₹ 5/Share	₹ 5/Share
	7% 7,65,400 NON CUMULATIVE PREFERENCE SHARE	₹ 1000/Share	₹ 1000/Share
<b>IV. RECONCILIATION OF NUMBER OF SHARE OUTSTANDING AT THE BEGINNING AND THE END OF THE REPORTING PERIOD</b>			
	<b>PARTICULARS</b>	<b>AS AT 31ST MARCH 2025</b>	<b>(₹ In Lakhs) AS AT 31ST MARCH 2024</b>
	<b>(I) EQUITY SHARE OF ₹ 5/- EACH FULLY PAID UP</b>		
	OPENING BALANCE	1,23,54,89,564	1,23,54,89,564
	ADD: FRESH ISSUE DURING THE YEAR	-	-
	ADD: SHARES ALLOTTED DURING THE YEAR	-	-
	LESS: REDUCED DURING THE YEAR	-	-
	<b>CLOSING BALANCE</b>	<b>1,23,54,89,564</b>	<b>1,23,54,89,564</b>
	<b>(II) 7% NON-CUMULATIVE PREFERENCE SHARES OF ₹1000/- EACH FULLY</b>		
	OPENING BALANCE	7,65,400	7,65,400
	ADD: ISSUED DURING THE YEAR	-	-
	LESS: REDUCED DURING THE YEAR	-	-
	<b>CLOSING BALANCE</b>	<b>7,65,400</b>	<b>7,65,400</b>
	<b>TOTAL</b>	<b>1,23,62,54,964</b>	<b>1,23,62,54,964</b>

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

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

EQUITY SHARES @ ₹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 @ ₹ 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.

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

PARTICULARS	NO. OF SHARES	% OF SHARE HOLDING	NO. OF SHARES	% OF SHARE HOLDING
	31ST MARCH 2025		31ST MARCH 2024	
<b>EQUITY SHARES OF ₹ 5/- EACH</b>				
(I) CENTRAL GOVERNMENT	1,20,42,97,344	97.48%	1,20,42,97,344	97.48%
<b>7% NON-CUMULATIVE PREFERENCE SHARES</b>				
(II) CENTRAL GOVT. PREFERENCE SHARES	7,65,400	100.00%	7,65,400	100.00%

VII 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%	No Change
2	Governor of Madhya Pradesh	3,05,37,290	2.47%	No Change
<b>Total</b>		<b>1,23,48,34,634</b>	<b>99.95%</b>	

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
<b>Total</b>		<b>7,65,400</b>	<b>100%</b>	

NOTE NO. 03

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RESERVES AND SURPLUS

(₹ In Lakhs)

S.NO.	PARTICULARS	AMOUNT	AMOUNT
		AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
<b>A.</b>	<b>CAPITAL RESERVE</b>		
	OPENING BALANCE	-	-
	ADD: ADDITION/(TRANSFER) DURING THE YEAR*	-	-
	<b>CLOSING BALANCE</b>	<b>-</b>	<b>-</b>
<b>B.</b>	<b>SUBSIDY RESERVE</b>		
	OPENING BALANCE	0.34	0.39
	ADD: ADDITION/(TRANSFER) DURING THE YEAR	(0.05)	(0.05)
	<b>CLOSING BALANCE</b>	<b>0.29</b>	<b>0.34</b>
<b>C.</b>	<b>NET DEFICIT IN STATEMENT PROFIT &amp; LOSS</b>		
	NET DEFICIT AT THE BEGINNING OF THE YEAR	(83,717.40)	(71,041.25)
	ADJUSTMENT TOWARDS REDUCTION IN SHARE CAPITAL ACCOUNT	-	-
		(83,717.40)	(71,041.25)
	ADD: PROFIT/ (LOSS) INCURRED DURING THE YEAR	(11,138.50)	(12,676.13)
	<b>NET DEFICIT AT THE END OF THE YEAR</b>	<b>(94,855.90)</b>	<b>(83,717.39)</b>
	<b>TOTAL</b>	<b>(94,855.61)</b>	<b>(83,717.05)</b>

NOTE 03.01:

TRANSFER OF ₹ 0.05 LAKHS (PREVIOUS YEAR ₹ 0.05 LAKHS) 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

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SHARE APPLICATION MONEY PENDING FOR ALLOTMENT

(₹ In Lakhs)

S. NO.	PARTICULARS	AMOUNT	AMOUNT
		AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
a)	EQUITY SHARE APPLICATION PENDING FOR ALLOTMENT	-	-
b)	7% NON CUMULATIVE PREFERENCE SHARE PENDING FOR ALLOTMENT ( REFER NOTE. 29.1.6 (III) OF NOTES TO ACCOUNTS)	3,000.00	3,000.00
	<b>TOTAL</b>	<b>3,000.00</b>	<b>3,000.00</b>

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 ₹ 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"

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LONG TERM BORROWINGS

(₹ In Lakhs)

S. NO.	PARTICULARS	AMOUNT	AMOUNT
		AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
	<b>UNSECURED LOANS</b>		
1	GOVERNMENT OF INDIA (PLAN & NON PLAN LOAN)	3,930.40	6,594.60
	<b>TOTAL</b>	<b>3,930.40</b>	<b>6,594.60</b>

**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	765.20	13.50%
7(12)/2014/PE-VII DT 23-04-2020	5 Years	Yearly	288.00	13.50%
7(12)/2014/PE-VII DT 17-07-2020	5 Years	Yearly	489.60	13.50%
7(12)/2014/PE-VII DT 26-08-2020	5 Years	Yearly	323.60	13.50%
7(12)/2014/PE-VII DT 27-10-2020	5 Years	Yearly	647.60	13.50%
7(12)/2014/PE-VII DT 26-11-2020	5 Years	Yearly	400.00	13.50%
7(12)/2014/PE-VII DT 03-03-2021	5 Years	Yearly	383.60	13.50%
7(12)/2014/PE-VII DT 27-01-2022	5 Years	Yearly	344.00	13.50%
7(12)/2014/PE-VII/CPSE-III DT 21-03-2022	5 Years	Yearly	288.80	13.50%

**NOTE NO. 06**

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**LONG TERM PROVISIONS**

(₹ In Lakhs)

S. NO.	PARTICULARS	AMOUNT AS AT 31ST MARCH 2025	AMOUNT AS AT 31ST MARCH 2024
<b>A</b>	<b>PROVISION FOR EMPLOYEE BENEFIT</b>		
1	PROVISION FOR GRATUITY	156.71	277.47
2	PROVISION FOR LEAVE ENCASHMENT	538.98	612.26
	<b>TOTAL</b>	<b>695.68</b>	<b>889.73</b>

**NOTE NO. 07**

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**SHORT TERM BORROWINGS**

(₹ In Lakhs)

PARTICULARS	AMOUNT AS AT 31ST MARCH 2025	AMOUNT AS AT 31ST MARCH 2024
<b>1 SECURED LOAN</b>		
OVERDRAFT AGAINST FDR	3,431.73	1,650.09
<b>2 UNSECURED LOAN</b>		
CURRENT MATURITIES OF LONG TERM DEBT	20,749.60	18085.40
<b>TOTAL</b>	<b>24,181.32</b>	<b>19,735.49</b>

**Default in repayment of Government of India Loan**

PARTICULARS	TOTAL AMOUNT	PRINCIPAL AMOUNT	INTEREST INCLUDING PENAL INTEREST	NO. OF INSTALLMENT OVERDUE	LAST DEFAULT SINCE
NO.7(10)/2011 PE VII-I) DT 02-07-2012	4106.95	1129.00	2977.95	5.00	6th JULY, 2017
NO.7(10)/2011 PE VII-II) DT 02-07-2012	1134.96	312.00	822.96	5.00	6th JULY, 2017
NO.7(10)/2011 PE VII-I) DT 18-03-2013	4061.79	1168.00	2893.79	5.00	23rd MARCH, 2018
NO.7(10)/2011 PE VII-II) DT 18-03-2013	465.99	134.00	331.99	5.00	23rd MARCH, 2018
7(9)/2013/PE-VII (I) DT 19-09-2013	6046.59	1796.00	4250.59	5.00	20th JULY, 2018
7(9)/2013/PE-VII (II) DT 16-09-2013	1131.21	336.00	795.21	5.00	20th JULY, 2018
7(9)/2013/PE-VII (I) DT 12-03-2014	3746.34	1150.00	2596.34	5.00	15th MARCH, 2019
7(9)/2013/PE-VII (I) DT 12-03-2014	407.21	125.00	282.21	5.00	15th MARCH, 2019
7(13)/2013/PE-VII DT 07-03-2014	6144.03	1718.00	4426.03	5.00	12th MARCH, 2022
7(12)/2014/PE-VII DT 08-10-2014	4976.03	1590.00	3386.03	5.00	10th OCTOBER, 2019
7(12)/2014/PE-VII DT 08-10-2014	5949.33	1901.00	4048.33	5.00	10th OCTOBER, 2019
7(12)/2014/PE-VII DT 20-01-2020	5927.21	2295.61	3631.61	3.00	21st JANUARY 2023
7(12)/2014/PE-VII DT 23-04-2020	923.77	288.00	635.77	2.00	01st May 2023
7(12)/2014/PE-VII DT 17-07-2020	1505.68	489.60	1016.08	2.00	25th July 2023
7(12)/2014/PE-VII DT 26-08-2020	975.55	323.60	651.95	2.00	31st Oct 2023
7(12)/2014/PE-VII DT 27-10-2020	1893.89	647.60	1246.29	2.00	30th Oct 2023
7(12)/2014/PE-VII DT 26-11-2020	1149.88	400.00	749.88	2.00	01st Dec 2023
7(12)/2014/PE-VII DT 03-03-2021	1041.88	383.60	658.28	2.00	13th March 2023
7(12)/2014/PE-VII DT 27-01-2022	1914.54	1032.00	882.54	3.00	2nd FEBRUARY 2023
7(12)/2014/PE-VII/CPSE-III DT 21-03-2022	1561.00	866.39	694.61	3.00	31st MARCH 2023
<b>TOTAL</b>	<b>55063.84</b>	<b>18085.40</b>	<b>36978.44</b>		

**Current Maturities Of Long Term Debt**

PARTICULARS	TOTAL AMOUNT	PRINCIPAL AMOUNT
7(12)/2014/PE-VII DT 20-01-2020	765.20	765.20
7(12)/2014/PE-VII DT 23-04-2020	144.00	144.00
7(12)/2014/PE-VII DT 17-07-2020	244.80	244.80
7(12)/2014/PE-VII DT 26-08-2020	161.80	161.80
7(12)/2014/PE-VII DT 27-10-2020	323.80	323.80
7(12)/2014/PE-VII DT 26-11-2020	200.00	200.00
7(12)/2014/PE-VII DT 03-03-2021	191.80	191.80
7(12)/2014/PE-VII DT 27-01-2022	344.00	344.00
7(12)/2014/PE-VII/CPSE-III DT 21-03-2022	288.80	288.80
<b>TOTAL</b>	<b>2664.20</b>	<b>2664.20</b>
<b>GRAND TOTAL</b>	<b>57728.04</b>	<b>20749.60</b>

**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. 07.02 : Non-Creation of Charge-OD Against FDR:**

The Company has availed an overdraft facility of ₹ 3431.73 Lakhs (P.Y. ₹ 1650.09 Lakhs) from Bank of India secured against company's own fixed deposits. However, the Company has not complied with the provisions of Section 77 of the Companies Act, 2013 read with Rule 3 of the Companies (Registration of Charges) Rules, 2014, which require creation and registration of the charge with the Registrar of Companies within the prescribed time. Consequently, the said charge has not been registered with the Registrar of Companies as required under the aforesaid provisions.

**NOTE NO. 08**

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(₹ In Lakhs)

**TRADE PAYABLES**

PARTICULARS	AMOUNT	AMOUNT
	AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
8(a) TOTAL OUTSTANDING DUES OF MICRO ENTRPRISES AND SMALL ENTRPRISES	465.67	584.97
8(b) TOTAL OUTSTANDING DUES OF CREDITORS OTHER THAN MICRO ENTRPRISES AND SMALL ENTRPRISES	636.07	445.24
<b>TOTAL</b>	<b>1,101.74</b>	<b>1,030.21</b>

Note No. 08.01: The following details relating to Micro, Small and Medium Enterprises

S. No.	Particulars	As at 31st March 2025	As at 31st MARCH 2024
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act :		
	Principal	440.34	584.97
	Interest	25.33	-
ii)	The amount of interest credit by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act,2006	-	-

**Note No. 08.02 : Trade Payable ageing**

F.Y. 2024-25

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		465.67				465.67
(ii) Others	0	475.67	19.29	3.51	137.60	636.07
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

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	78.09	221.96	4.17	3.63	137.39	445.24
(iii) Disputed dues - MSME						
(iv) Disputed dues - Others						

**Note No. 08.03 : Non-Compliance with MSMED Act, 2006:** The Company has identified its suppliers registered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, to the extent of confirmations and information received from such suppliers. There have been delays in payments to certain MSME creditors beyond the prescribed timelines under the Act. As informed, the delays were primarily due to constraints in availability of funds. The company has not deduct the TDS under the provisions of The Income Tax Act, 1961 on Interest paid to MSME Vendors of ₹ 25.33 Lakhs on Amount of ₹ 362.41 which is overdue more than 15/45 days.

**NOTE NO. 9**

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(₹ In Lakhs)

**OTHER CURRENT LIABILITIES**

PARTICULARS	AMOUNT	AMOUNT
	AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
1 INTEREST ACCRUED & DUE (ON GOI LOAN)		
- INTEREST	11,840.58	10,588.20
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	24,211.05	20,045.08
2 INTEREST ACCRUED AND NOT DUE (ON GOI LOAN)		
- INTEREST	300.03	411.62
- INTEREST INCLUDING PENAL INTEREST ON OVERDUE INSTALMENTS	626.78	441.82
3 DEPOSIT FROM CONTRACTOR / AGENT /CUSTOMERS & OTHERS	824.20	786.17
4 ADVANCE FROM CUSTOMERS	201.82	182.55
5 PAYABLES FOR RMDP PROJECT	1,873.16	2,096.48
6 SECURITY DEPOSIT FOR RMDP PROJECT	157.53	159.16
7 OTHER PAYABLES	2,302.86	1,354.38
<b>TOTAL</b>	<b>42,338.01</b>	<b>36,065.47</b>
A OTHER PAYABLES PERTAIN TO:		
1 STATUTORY LIABILITIES	201.89	195.71
2 OTHER PAYABLE	2,100.97	1,158.67
<b>TOTAL</b>	<b>2,302.86</b>	<b>1,354.38</b>

**NOTE NO. 09.01:** THE COMPANY HAS RECEIVED ADVANCES FROM CUSTOMERS AMOUNTING TO ₹ 12.06 LAKHS AGAINST THE SUPPLY OF GOODS AND SERVICES, WHICH HAVE REMAINED OUTSTANDING FOR MORE THAN 365 DAYS AS AT MARCH 31, 2025.

IN TERMS OF RULE 2(1)(XII)(A) OF THE COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014 READ WITH SECTION 73 OF THE COMPANIES ACT, 2013, SUCH AMOUNTS ARE TO BE ADJUSTED AGAINST THE SUPPLY OF GOODS OR SERVICES WITHIN 365 DAYS FROM THE DATE OF RECEIPT. THE COMPANY HAS NOT ADJUSTED OR REFUNDED SUCH AMOUNTS WITHIN SAID PRESCRIBED TIME PERIOD, WHICH MAY BE CONSIDERED AS NON-COMPLIANCE WITH THE AFORESAID PROVISIONS AND CONSEQUENTLY, THE AMOUNT IS DEEMED TO BE A DEPOSIT.

THE COMPANY HAS NOT COMPLIED WITH THE PROVISIONS APPLICABLE FOR ACCEPTANCE OF DEPOSITS IN RESPECT OF THE AFORESAID AMOUNT.

**NOTE NO. 10**

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**SHORT TERM PROVISIONS**

(₹ In Lakhs)

PARTICULARS	AMOUNT	AMOUNT
	AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
A <b>PROVISION FOR EMPLOYEE BENEFIT</b>		
1 PROVISION FOR LEAVE ENCASHMENT	213.08	183.30
2 PROVISION FOR GRATUITY (CURRENT LIABILITIES)	541.20	339.25
3 PROVISION FOR LIABILITY/NON RECOVERABILITY OF ASSETS	405.37	345.68
<b>TOTAL</b>	<b>1,159.65</b>	<b>868.23</b>

**Note No. 11  
PROPERTY, PLANT & EQUIPMENT**

DESCRIPTION	GROSS BLOCK AT COST			LESS DEPRECIATION / AMORTIZATION			NET BLOCK	
	AS ON	Additions	Deduction	AS ON	For the	Written Back	AS AT	AS AT
	01st April 2024			01st April 2024	Year	Period	31st March 2025	31st March 2024
<b>Note No. 11a</b>								
<b>Tangible Assets</b>								
<b>(a) LEASED ASSETS</b>								
Land lease hold	2.50	-	-	1.88	-	-	1.88	0.62
<b>(b) OWNED ASSETS</b>								
Free Hold Land	2.58	-	-	2.58	-	-	2.58	2.58
Buildings	1,382.28	-	-	1,032.17	12.60	-	1,044.77	337.51
Plant and Equipment	43,382.01	81.16	-	8,979.22	1,734.97	3.93	10,718.12	32,645.05
Furniture & Fixture	237.90	0.71	-	198.90	4.15	-	203.05	35.56
Office Equipment	66.06	1.24	-	67.30	46.75	2.93	49.68	17.62
Computer Equipment	136.91	2.13	-	116.66	8.19	-	125.05	13.99
Vehicles	10.50	-	-	10.50	9.88	-	9.88	0.62
Railway Sidings	412.93	-	-	335.20	11.37	-	346.57	66.36
Water Works	2,655.76	-	-	404.74	110.39	-	515.13	2,140.63
Roads and Bridges	51.69	-	-	49.14	-	-	49.14	2.55
Library Books	0.37	-	-	0.35	0.35	-	0.35	0.02
Discarded Assets	186.57	-	-	186.57	90.36	-	96.21	96.21
<b>TOTAL (A)</b>	<b>48,428.06</b>	<b>85.24</b>	<b>-</b>	<b>11,265.45</b>	<b>1,884.60</b>	<b>3.93</b>	<b>13,153.98</b>	<b>35,359.32</b>
<b>Previous Year (A)</b>	<b>47,994.57</b>	<b>433.49</b>	<b>-</b>	<b>9,387.26</b>	<b>1,878.19</b>	<b>-</b>	<b>11,265.45</b>	<b>37,162.61</b>
<b>Note No. 11b</b>								
<b>Capital Work in Progress</b>								
Plant & Machine under Erection	525.37	125.56	208.83	442.10	-	-	442.10	525.37
<b>TOTAL (B)</b>	<b>525.37</b>	<b>125.56</b>	<b>208.83</b>	<b>442.10</b>	<b>-</b>	<b>-</b>	<b>442.10</b>	<b>525.37</b>
<b>Previous Year (B)</b>	<b>475.26</b>	<b>50.11</b>	<b>-</b>	<b>525.37</b>	<b>-</b>	<b>-</b>	<b>525.37</b>	<b>475.26</b>
<b>Note No. 11c</b>								
<b>Intangible Assets under Development</b>	4.70	42.30	-	47.00	-	-	47.00	4.70
<b>Previous Year (C)</b>	<b>4.70</b>	<b>-</b>	<b>-</b>	<b>4.70</b>	<b>-</b>	<b>-</b>	<b>4.70</b>	<b>4.70</b>
<b>GRAND TOTAL (A+B)</b>	<b>48,958.13</b>	<b>253.10</b>	<b>208.83</b>	<b>11,265.45</b>	<b>1,884.60</b>	<b>3.93</b>	<b>13,153.98</b>	<b>35,848.42</b>
<b>Previous Year Grand Total (A+B+C)</b>	<b>48,474.53</b>	<b>483.60</b>	<b>-</b>	<b>9,387.26</b>	<b>1,878.19</b>	<b>-</b>	<b>11,265.45</b>	<b>37,692.68</b>

**Note No. 11.01**

Details of ageing of Capital Work in Progress as at 31st March 2025

	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	442.1	-	-	-	442.1

Details of ageing of Capital Work in Progress as at 31st March 2024

	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

**Note No. 11.02**

Details of ageing of Intangible Assets under Development as at 31st March 2025

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	42.3	4.7	-	-	47

Details of ageing of Intangible Assets under Development as at 31st March 2024

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	0	4.7	-	-	4.7

**NOTE NO. 12**

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(₹ In Lakhs)

**LONG TERM LOANS AND ADVANCES**

PARTICULARS	AMOUNT	AMOUNT
	AS AT 31ST MARCH 2025	AS AT 31ST MARCH 2024
1 CAPITAL ADVANCES FOR RMDP PROJECT	40.76	40.76
<b>TOTAL</b>	<b>40.76</b>	<b>40.76</b>
<b>(12)A</b>		
1 Secured Considered Good	-	-
2 Unsecured Considered Good	40.76	40.76
3 Doubtful	-	-
<b>Total</b>	<b>40.76</b>	<b>40.76</b>

**NOTE NO. 13**

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(₹ In Lakhs)

**OTHER NON CURRENT ASSETS**

PARTICULARS	AMOUNT	AMOUNT
	AS AT 31.03.2025	AS AT 31.03.2024
1 SECURITY DEPOSIT FOR SERVICE CONNECTION	1.85	1.85
2 DEPOSIT WITH OTHER AUTHORITIES	19.66	19.41
3 SALES TAX PAID UNDER PROTEST	15.68	15.68
4 SALES TAX RECOVERABLE	14.06	14.06
5 DEPOSIT WITH TELEPHONE & OTHER	3.75	3.75
6 Less : PROVISION FOR DOUBTFUL RECOVERY	(53.59)	(53.59)
<b>TOTAL</b>	<b>1.41</b>	<b>1.16</b>

**NOTE NO. 14**  
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(₹ In Lakhs)

PARTICULARS	AMOUNT AS AT		AMOUNT AS AT
	31ST MARCH 2025		31ST MARCH 2024
<b>A RAW MATERIALS</b>	224.68		273.67
1 LESS: PROVISION FOR REDUCTION IN VALUE	-	224.68	-
<b>B STOCK OF FINISHED GOODS (AT YEAR END)</b>		905.42	1,394.24
<b>C STOCK- IN-TRADE</b>			
a) PETROL		16.08	10.64
b) DIESEL		15.69	15.30
c) LUBRICANT OIL		0.69	1.25
d) PETROL XP		17.96	15.93
<b>D CHEMICAL STORES AND SPARES</b>			
a) CHEMICAL, MOVING STORES & SPARES		305.00	318.76
b) NON MOVING ITEMS FOR 5 YEARS OR MORE	513.30		517.11
LESS: PROVISION FOR NON MOVING ITEMS	(513.30)	-	(517.11)
<b>E STORES IN TRANSIT</b>			-
<b>F LOOSE TOOLS</b>		4.10	4.92
<b>G OTHERS</b>			
a) COAL CINDER		103.09	152.65
b) COAL		38.92	116.73
c) SCRAP MATERIAL		9.90	59.43
<b>TOTAL</b>		<b>1,641.52</b>	<b>2,363.51</b>

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

**NOTE NO. 15**  
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(₹ In Lakhs)

PARTICULARS	AMOUNT AS AT		AMOUNT AS AT
	31ST MARCH 2025		31ST MARCH 2024
<b>15.1 SECURED, CONSIDERED GOOD;</b>			-
<b>15.2 UNSECURED AND CONSIDERED GOOD</b>		204.87	305.01
<b>15.3 DOUBTFUL</b>		274.19	274.19
LESS: PROVISION FOR DOUBTFUL DEBTS		(274.19)	(274.19)
<b>TOTAL</b>		<b>204.87</b>	<b>305.01</b>

Note No. 15.01  
Trade Receivable ageing  
F.Y. 2024-25

Particulars	(₹ In Lakhs)						
	Not Due	Outstanding for following periods from due date of payment#					
Less than 6 months		6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables - considered good	174.27	30.6					204.87
(ii) Undisputed Trade Receivables - considered doubtful	0	0	0	-	-	-	-
(iii) Disputed Trade Receivables considered good							
(iv) Disputed Trade Receivables considered doubtful							

F.Y. 2023-24

Particulars	(₹ In Lakhs)						
	Not Due	Outstanding for following periods from due date of payment#					
Less than 6 months		6 months -1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables - considered good	289.40	15.61					305.01
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good							
(iv) Disputed Trade Receivables considered doubtful							

**NOTE NO. 15.02:** TRADE RECEIVABLE-DOUBTFUL OF ₹ 274.19 LAKHS HAVE BEEN PRESENTED NET OF CREDIT BALANCES AMOUNTING TO ₹ 13.31 LAKHS i.e. ADVANCE FROM TRADE RECEIVABLES WHICH IS APPEARING FOR PROLONGED PERIOD.

THE COMPANY HAS RECEIVED ADVANCES FROM CUSTOMERS AMOUNTING TO ₹ 13.31 LAKHS AGAINST THE SUPPLY OF GOODS AND SERVICES, WHICH HAVE REMAINED OUTSTANDING FOR MORE THAN 365 DAYS AS AT MARCH 31, 2025.

IN TERMS OF RULE 2(1)(XII)(A) OF THE COMPANIES (ACCEPTANCE OF DEPOSITS) RULES, 2014 READ WITH SECTION 73 OF THE COMPANIES ACT, 2013, SUCH AMOUNTS ARE TO BE ADJUSTED AGAINST THE SUPPLY OF GOODS OR SERVICES WITHIN 365 DAYS FROM THE DATE OF RECEIPT. THE COMPANY HAS NOT ADJUSTED OR REFUNDED SUCH AMOUNTS WITHIN SAID PRESCRIBED TIME PERIOD, WHICH MAY BE CONSIDERED AS NON-COMPLIANCE WITH THE AFORESAID PROVISIONS AND CONSEQUENTLY, THE AMOUNT IS DEEMED TO BE A DEPOSIT.

THE COMPANY HAS NOT COMPLIED WITH THE PROVISIONS APPLICABLE FOR ACCEPTANCE OF DEPOSITS IN RESPECT OF THE AFORESAID AMOUNT.

**NOTE NO. 16**

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**CASH AND BANK BALANCES**

PARTICULARS	(₹ In Lakhs)	
	AMOUNT AS AT 31ST MARCH 2025	AMOUNT AS AT 31ST MARCH 2024
<b>CASH &amp; CASH EQUIVALENT</b>		
A) <b>CASH IN HAND</b>		
1 CASH BOOK (ADMIN OFFICE)	3.45	2.13
2 CASH IN HAND WITH OTHER DEPARTMENTS OF THE MILL	-	-
B) BALANCE WITH SCHEDULE BANKS	1,539.31	4,601.54
C) FDR MATURED WITHIN 3 MONTH	655.04	780.87
	<b>2,197.80</b>	<b>5,384.54</b>
<b>OTHER BANK BALANCES</b>		
D) FIXED DEPOSITS WITH SCHEDULE BANKS	4,557.69	1,891.26
E) OTHER BANK BALANCES (AGAINST BANK GUARANTEE)	566.01	566.01
F) BALANCE IN ESCROW ACCOUNTS	0.36	0.37
	<b>5,124.06</b>	<b>2,457.64</b>
<b>TOTAL</b>	<b>7,321.87</b>	<b>7,842.18</b>

**NOTE:- 16.1:-**

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

- a) BANK OVERDRAFT
- b) BANK GUARANTEES

**NOTE NO. 17**

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**SHORT TERM LOANS AND ADVANCES**

PARTICULARS	(₹ In Lakhs)	
	AMOUNT AS AT 31ST MARCH 2025	AMOUNT AS AT 31ST MARCH 2024
<b>OTHERS</b>		
<b>UNSECURED</b>		
1 ADVANCE AGAINST INDIGENOUS PURCHASE AND OTHERS - CONSIDERED GOOD	0.22	0.41
- DOUBTFUL	0.71	0.71
LESS:- PROVISION FOR BAD AND DOUBTFUL DEBTS	(0.71)	(0.71)
	0.22	0.41
2 ADVANCE TO EMPLOYEE	19.99	27.14
3 DEPOSIT WITH CENTRAL EXCISE FOR CESS ON PAPER	0.05	0.05
4 INCOME TAX COLLECTED AT SOURCE	326.59	335.42
5 TCS COLLECTED BY SELLER	8.46	6.88
6 7(a) SECURITY DEPOSIT WITH MPPKVCL	129.52	120.65
7(b) DEPOSIT WITH GST AUTHORITIES FOR APPEAL	60.99	60.99
LESS: PROVISION FOR BAD & DOUBTFUL DEPOSITS	-	-
	190.51	181.64
7 CLAIM RECEIVABLE	860.54	850.45
8 LESS: PROVISION FOR BAD & DOUBTFUL CLAIM	(353.81)	(353.81)
	506.73	496.64
9 OTHER ADVANCES		
a) CONSIDERED GOOD	165.22	181.91
b) DOUBTFUL	128.38	128.38
LESS: PROVISION FOR DOUBTFUL LOANS & ADVAN	(128.06)	(128.06)
ii) OTHER LOANS & ADVANCES	0.31	0.32
<b>TOTAL</b>	<b>1,218.09</b>	<b>1,230.42</b>

**NOTE NO. 17.01**

Claim receivable included ₹ 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 ₹ 340.64 lakhs is created and remaining amount is ₹ 386.09 lakhs not created. By virtue of this deficit is shown lower receivable and lower of bad and doubtful claim as well as other expenses (Note No. 26) by ₹ 386.09 Lakhs.

**NOTE NO. 18**

=====

**OTHER CURRENT ASSETS**

(₹ In Lakhs)

PARTICULARS	AMOUNT AS AT		AMOUNT AS AT	
	31ST MARCH 2025		31ST MARCH 2024	
1 INTEREST ACCRUED ON BANK DEPOSIT		515.07		433.42
2 ACCURED INCOME (O/S RECOVERY OF TOWNSHIP RENT)	302.65		315.44	
LESS:PROVISION AGAINST DOUBTFUL RECOVERY	(20.92)	281.73	(20.92)	294.52
3 RECEIVABLE FROM NAGAR PALIKA NEPANAGAR AGAINST WATER SUPPLY	767.91		604.59	
LESS:PROVISION AGAINST DOUBTFUL RECOVERY	(233.81)	534.10	(233.81)	370.78
4 GST RECEIVABLE		3,371.04		3,300.11
5 PREPAID EXPENSES		5.10		24.92
<b>TOTAL</b>		<b>4,707.04</b>		<b>4,423.76</b>

**NOTE NO.19**

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**REVENUE FROM OPERATION**

(₹ In Lakhs)

S.NO	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
<b>A</b>	<b>REVENUE FROM SALE OF PRODUCTS</b>		
1	SALE OF NEWSPRINT	3,161.80	10,854.96
2	SALE OF PETROL, DIESEL, LUBRICANTS & EXTRA PREMIUM PETROL	1,281.96	1,391.38
	<b>TOTAL (A)</b>	<b>4,443.76</b>	<b>12,246.34</b>
<b>B</b>	<b>OTHER OPERATING REVENUES</b>		
1	SALE OF COAL CINDER	88.11	41.46
2	SALE OF SCRAP	83.50	134.39
3	SALE OF PRODUCTION & WATSE SLUDGE	20.73	36.43
	<b>TOTAL (B)</b>	<b>192.34</b>	<b>212.27</b>
	<b>TOTAL (A+B)</b>	<b>4,636.10</b>	<b>12,458.61</b>

**NOTE NO. 20**

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**OTHER INCOME**

(₹ In Lakhs)

S.NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	INCOME OF WATER SUPPLY	144.23	97.12
2	INTEREST EARNED	395.46	494.23
3	INCOME FROM TOWNSHIP	297.48	219.68
4	RECEIPTS FROM MEDICAL DEPARTMENT	17.48	18.85
5	PROVISIONS FOR LIABILITIES WRITTEN BACK	16.63	-
6	PENALTY COMPENSATION	1.09	38.81
7	INTEREST FROM IT REFUND	3.09	-
8	OTHER NON OPERATING INCOME	46.05	43.89
	<b>TOTAL</b>	<b>921.50</b>	<b>912.57</b>

**Note No. 20.01** : Provisions For Liabilities Written Back For ₹ 16.63 includes 1. Unclaimed Credit Bal Written Back For ₹ 4.90 Lakhs, 2. Write Back Excess Provn Made Earlier Year ₹ 3.81 Lakhs And 3. Secl Coal Penalty Reversal Of ₹ 7.92 Lakhs .

**NOTE NO. 21**

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**COST OF MATERIALS CONSUMED**

(₹ In Lakhs)

S.NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	COST OF MATERIALS CONSUMED	1,833.39	7,769.37
	<b>TOTAL</b>	<b>1,833.39</b>	<b>7,769.37</b>

## NOTE NO. 22

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## PURCHASE OF STOCK-IN-TRADE

S.NO.	PARTICULARS	FOR THE YEAR	
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	PURCHASE OF PETROL, DIESEL & LUBRICANTS	1,269.43	1,372.55
	<b>TOTAL</b>	<b>1,269.43</b>	<b>1,372.55</b>

## NOTE NO. 23 (a)

## CHANGES IN THE INVENTORIES OF FINISHED GOODS

S.NO.	PARTICULARS	FOR THE YEAR	
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
<b>A</b>	<b>INVENTORIES AT THE END OF THE YEAR</b>		
	<b>MANUFACTURING GOODS</b>		
1	COAL CINDER	103.09	152.65
2	FINISHED GOODS	905.42	1,394.24
3	PRODUCTION WASTE & SCRAP	9.90	59.43
	<b>TOTAL (A)</b>	<b>1,018.41</b>	<b>1,606.32</b>
<b>B</b>	<b>INVENTORIES AT THE BEGINNING OF THE YEAR</b>		
	<b>MANUFACTURING GOODS</b>		
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>TOTAL (B)</b>	<b>1,606.32</b>	<b>2,727.17</b>
	<b>NET (INCREASE)/ DECREASE (B-A)</b>	<b>587.91</b>	<b>1,120.86</b>

## NOTE NO. 23 (b)

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## CHANGES IN THE INVENTORIES OF STOCK IN TRADE

S.NO.	PARTICULARS	FOR THE YEAR	
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
<b>A</b>	<b>INVENTORIES AT THE END OF THE YEAR</b>		
	<b>TRADING GOODS</b>		
1	EXTRA PREMIUM PETROL(XP)	17.96	15.93
2	PETROL	16.08	10.64
3	DIESEL	15.69	15.30
4	LUBRICANTS	0.69	1.25
		<b>50.41</b>	<b>43.11</b>
<b>B</b>	<b>INVENTORIES AT THE BEGINNING OF THE YEAR</b>		
	<b>TRADING GOODS</b>		
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
		<b>43.11</b>	<b>46.79</b>
	<b>NET (INCREASE)/ DECREASE (B-A)</b>	<b>(7.30)</b>	<b>3.67</b>

## NOTE NO. 24

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## EMPLOYEES BENEFIT EXPENSES

S.NO.	PARTICULARS	FOR THE YEAR	
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	SALARIES, WAGES AND ALLOWANCES	1,931.08	1,973.90
2	CONTRIBUTION TO PROVIDENT FUND & OTHER FUNDS	204.06	230.13
3	GRATUITY	101.40	(1,233.48)
4	LEAVE ENCASHMENT	63.26	174.96
5	STAFF WELFARE EXPENSES	44.12	61.79
6	REIMBURSEMENT OF MEDICAL EXPENSES	60.90	73.02
	<b>TOTAL</b>	<b>2,404.81</b>	<b>1,280.32</b>

## NOTE 24.1

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## REIMBURSEMENT OF MEDICAL EXP

S.NO.	PARTICULARS	FOR THE YEAR	
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	REIMBURSEMENT OF MEDICAL EXPENSES TO EMPLOYEES	18.53	26.98
2	REIMBURSEMENT OF OUTSIDE MEDICAL CLAIM	37.82	37.79
3	REIMBURSEMENT OF MEDICAL EXPENSES TO CASUAL/ BADLI EMPLOYEES	4.56	7.70
4	REIMBURSEMENT OF LOCAL BILL TO CONTRACTUAL EMPLOYEES	-	0.55
	<b>TOTAL</b>	<b>60.90</b>	<b>73.02</b>

**NOTE NO. 25**

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(₹ In Lakhs)

**FINANCE COST**

S.NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	INTEREST ON GOVERNMENT LOAN	5,491.71	5,201.45
2	INTEREST ON BANK LOAN	153.75	52.96
3	BANK CHARGES	2.47	3.05
	<b>TOTAL</b>	<b>5,647.93</b>	<b>5,257.47</b>

**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**

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(₹ In Lakhs)

**OTHER EXPENSES**

S.NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	STORES & SPARES CONSUMED	76.95	177.65
2	CHEMICALS CONSUMED	189.75	496.59
3	POWER & FUEL	1,950.10	4,234.49
4	INSURANCE	19.17	41.66
5	SECURITY STAFF EXP	90.66	110.03
6	LEGAL AND PROFESSIONAL CHARGES	58.58	116.79
7	PAYMENT TO AUDITORS	2.61	2.79
8	RATES & TAXES	8.43	7.94
9	REPAIR & MAINTENANCE	140.35	232.90
10	HIRE CHARGES OF VEHICLES	37.70	34.44
11	RESEARCH AND DEVELOPMENT EXPENSES	1.34	1.70
12	ELECTRICITY CHARGES	10.14	11.75
13	FACTORY OFFICE GEN EXPENSES	187.05	115.59
14	LIGHTNING AND SANITATION	-	9.59
15	LOSS ON SALE OF ASSETS	-	-
16	COMMISSION ON SALES	10.34	3.51
17	FREIGHT AND LOADING CHARGES	-	2.80
18	CONFERENCE EXPENSES	0.82	6.50
19	SOCIAL & CULTURAL EXP	10.70	7.52
20	PROVISION FOR COAL PENALTY FOR NON LIFTING OF COAL	-	270.00
21	PROVISION FOR LIABILITY/NON RECOVERABILITY OF ASSETS	-	955.94
22	INTEREST TO MSME	25.33	-
23	PROPERTY TAX	59.69	-
24	MISCELLENEOUS EXPENSES (BELOW 1% OF TURNOVER)	191.68	524.72
	<b>TOTAL</b>	<b>3,071.40</b>	<b>7,364.89</b>

**NOTE 26.01**

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(₹ In Lakhs)

**PAYMENT TO STATUTORY AUDITOR**

S.NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	STATUTORY AUDIT FEES	1.75	1.75
2	REIMBURSEMENT OF EXPENSES	0.25	0.50
3	TAX AUDIT FEES	0.25	0.25
4	COST AUDITOR FEES	0.36	0.29
	<b>TOTAL</b>	<b>2.61</b>	<b>2.79</b>

**NOTE 26.02**

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(₹ In Lakhs)

**REPAIR & MAINTANANCE**

S.NO.	PARTICULARS	FOR THE YEAR	FOR THE YEAR
		ENDED 31ST MARCH 2025	ENDED 31ST MARCH 2024
1	PLANT & MACHINERY	81.24	144.72
2	BUILDINGS	18.29	36.29
3	OTHER ASSETS	40.81	51.89
	<b>TOTAL</b>	<b>140.35</b>	<b>232.90</b>

Note No. 26.03 : Power and Coal includes consumption of Coal of ₹ 996.76 of during the year.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2025****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 ₹ 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 MPPKVCL, 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 ₹ 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 ₹ 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 12<sup>th</sup> 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 ₹ 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

- a. ₹ 3,000 Lakhs dated 29<sup>th</sup> October 2021
- b. ₹ 2,347 Lakhs dated 29<sup>th</sup> December 2021
- c. ₹ 635 Lakhs dated 21<sup>st</sup> March 2022
- d. ₹ 1,859 Lakhs dated 21<sup>st</sup> 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.

29. **Ministry of Heavy Industries, Government of India**

- 29.1.1. Sanction of conversion of Government of India (GOI) loan of ₹ 23,101 Lakhs was received and accordingly shares have been allotted to GOI in earlier years.
- 29.1.2. Waiver of Statutory dues to Central Government Authorities amounting to ₹ 1,338 Lakhs.
- 29.1.3. Waiver of penal interest on GOI loan of ₹ 24,183 Lakhs with freezing from 01.04.2012.
- 29.1.4. Waiver of interest accrued but not due on GOI loan of ₹ 2,094 Lakhs with freezing from 01.04.2012.
- 29.1.5. Waiver of normal interest on GOI loan of ₹ 9,243 Lakhs with freezing from 01.04.2012.
- 29.1.6. The Company has issued 7% Non-Cumulative Preference Shares to Government of India as under: -
  - I. 6,00,000 7% Non-Cumulative Preference Shares amounting to ₹ 6,000 Lakhs upto 31.03.2019.
  - II. 1,65,400 7% Non-Cumulative Preference Shares amounting to ₹ 1,654 Lakhs allotted in the F.Y. 2019-20.
  - III. Further 3,00,000 7% Non-Cumulative Preference Shares are pending for allotment as on 31.03.2025.

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

- 29.1.7. Amount of ₹ 9,083 Lakhs has been sanctioned towards VRS for approximately 400 employees out of which amount of ₹ 4,654 Lakhs has been received. Against this ₹ 1,654 Lakhs has been allotted as 7% Non-Cumulative Preference Shares in F.Y. 2019-20 and ₹ 3,000 Lakhs (Number 3,00,000 7% Non-Cumulative Preference Shares) is pending for allotment.

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

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

Total land measuring 1199.32 acres is available with Nepa Ltd in Neapanagar 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 ₹ 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 ₹ 2,884 Lakhs has been received from Government of Madhya Pradesh; accordingly, shares have been allotted to Government of Madhya Pradesh worth ₹ 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: -

(₹ in Lakhs)

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

31. **The Authorized capital of the company is:**

- ₹ 6,49,17 Lakhs divided into 1,29,83,40,000 Equity Shares of ₹ 5/- Each and
- ₹ 15,083 Lakhs divided into 15,08,300 7% Non-Cumulative Preference Shares of ₹ 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 ₹ 35359.32 Lakhs (Previous year ₹ 37162.61 Lakhs) the Capital Work in Progress on account of the RMDP is ₹ 442.10 Lakhs (Previous ₹ 525.37 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<sup>st</sup> March 2025 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.

<b>I. Changes in Present value of Benefit Obligation (₹ in Lakhs)</b>		
	<b>2024-25</b>	<b>2023-24</b>
Present Value of Benefit obligations as at beginning of year	1394.86	1582.36
Current Service Cost	55.69	50.37
Interest Cost	94.15	112.34
Benefits Paid	(226.63)	(353.78)
Actuarial (Gain)/Loss	301.23	3.55
Present value of Benefit obligations as at end of the year	1619.31	1394.86

  

<b>II. Bifurcation of Present Value of Benefit obligation</b>		
	<b>2024-25</b>	<b>2023-24</b>
Current (Amount due within one year)	541.20	339.25
Non-Current (Amount due after one year)	1078.11	1055.61
Total	1619.31	1394.86

  

<b>III. Changes in Fair Value of Plan Assets (₹ In Lakhs)</b>		
	<b>2024-25</b>	<b>2023-24</b>
Fair value of plan assets at beginning of year	1074.34	1344.10
Expected return on plan assets	64.86	82.87
Company Contributions	-	-
Benefits Paid	(226.63)	(353.78)
Actuarial (Gain)/Loss on Plan assets	8.83	1.14
Fair value of plan assets at the end of year	921.40	1074.34

  

<b>IV. Amounts recognized in Balance Sheet and Statement of Profit &amp; Loss (₹ Lakhs)</b>		
	<b>2024-25</b>	<b>2023-24</b>
Present value of Benefit obligations as at the end of year	1619.31	1394.86
Fair value of plan assets as at the end of the year	921.40	1074.34
Net liability/(asset) recognized in balance sheet	697.90	320.52

V.	2024-25	2023-24
Current Service cost	55.69	50.37
Interest Cost	94.15	112.34
Expected return on plan assets	(64.86)	(82.87)
Net Actuarial (gain) / loss recognized in the year	292.40	2.41
Expenses recognized in Statement of Profit and Loss	377.38	82.26

As per books of accounts the present value of obligation of gratuity amounting to ₹ 697.90 Lakhs (Previous year ₹ 616.72 lakhs) is recognized after reducing fair value of plan assets on the same.

The net obligation after adjusting fair value of plan assets is ₹ 697.90 Lakhs (Previous year ₹ 616.72 Lakhs) as per the actuarial report obtained by the company for its permanent employee & casual and badli workers. Total provision against gratuity obligation is created for ₹ 697.90 Lakhs (Previous year ₹ 616.72 Lakhs) in the Balance Sheet.

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

<b>I. Changes in Present value of Benefit Obligation (₹ in Lakhs)</b>	<b>2024-25</b>	<b>2023-24</b>
Present Value of Benefit obligations as at beginning of year	795.57	786.17
Current Service Cost		
Interest Cost	44.12	46.15
Benefits Paid	53.70	55.82
Actuarial (Gain)/Loss	(106.37)	0.00
Present value of Benefit obligations as at end of the year	(34.97)	(92.59)
	752.05	795.57
<b>II. Bifurcation of Present Value of Benefit obligation</b>	<b>2024-25</b>	<b>2023-24</b>
Current (Amount due within one year)	213.07	183.30
Non-Current (Amount due after one year)	538.98	612.26
Total	752.05	795.57

34. **Employee related payments**

(a) An amount of ₹ 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 ₹ 3,825 Lakhs has been received in Financial Year 2019-20 (including 394 Lakhs for payment of Electricity Bill) and ₹ 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 ₹ 3,163 Lakhs has been received from GOI against salary/wages and statutory dues.

(b) Company has made a provision of ₹ 752.05 Lakhs during the current year (previous year ₹ 795.57 Lakhs) for leave encashment liability towards employees. The liability as per the certificate of actuary obtained by the company is ₹ 752.05 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: -

(₹ In Lakhs)

SEGMENT REPORTING AS PER ACCOUNTING STANDARD 17			
Particular	Newsprint Paper	Trading of Petrol Diesel & Lubricant	Total
<b>1. Segment Revenue</b>			
a) External Sales	4275.64	1281.96	5557.60
b) Inter Segment Sales	0	0	0
<b>Total Revenue</b>	4275.64	1281.96	5557.60
Total Revenue from Operation	3354.14	1281.96	4636.10
<b>2. Segment Results</b>			
a) Profit/(Loss) after income tax	(11122.60)	(15.90)	(11138.50)
<b>Operating Profit/(Loss)</b>			(5490.57)
<b>Interest Expenses</b>			(5647.93)
<b>Income Tax</b>			0.00
<b>Net Profit/(Loss)</b>			(11138.50)
<b>3. Segment Assets</b>	35358.11	1.21	35359.32
<b>4. Segment Liabilities</b>	71331.66	3.71	71335.37

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 Cmde Arvind Vadhera, VSM	Chairman cum Managing Director (w.e.f 16.04.2025)
2.	Sh. Pradeep Kr. Naik	Director (F) (Addl. Charge) (w.e.f. 02.05.2019)
3.	Shri Rakesh Kumar Chokhani	Ceased from Chairman cum Managing Director (w.e.f 16.04.2025)
4.	Milind Sharadchandra Kanade	Director
5.	Renuka Mishra	Nominee Director
6.	Atul Kumar Mishra	Nominee Director
7.	Mrs. Nidhi Mishra	Company Secretary (w.e.f 15.01.2024)
8.	Shri Vikas Reddy	Chief Financial Officer (w.e.f 15.01.2024)

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

(₹ in Lakhs)

S. No.	Nature of Transaction	2024-25	2023-24
1	<b>Remuneration</b>		
	1. Mrs. Nidhi Mishra	6.38	1.43
	2. Shri Vikas Reddy	7.79	5.06
2	<b>Travelling Exp.</b>		
	1. Rakesh Kumar Chokhani	0.42	00.0
	2. Sh. P.K. Naik	5.48	3.36
	3. Mrs. Nidhi Mishra	0.75	00.0
	4. Sh. Vikas Reddy	0.31	0.68
3	<b>Board Meeting Sitting Fees</b>		
	Shri Milind Kanade (Independent Director)	0.26	0.19

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	2024-25	2023-24
i.	Net Profit / (Loss) for calculating basic / diluted EPS in (₹ in Lakhs)	(11138.50)	(12676.13)
ii.	Weighted Average number of Equity shares for calculation of Basic EPS. (This does not include 97,780 Equity shares forfeited at ₹ 4.30 Lakhs).	12354.90	12354.90
iii.	Nominal Value of Share (₹)	5	5
iv.	Basic EPS (₹)	(0.90)	(1.03)
v.	Weighted Average Number of equity Shares for Diluted EPS.	NIL	NIL
vi.	Diluted EPS (₹)	(0.90)	(1.03)

As per Para 41 of Accounting Standard-20 "Earning Per Share", in case of Potential Equity shares which are anti-dilutive and their conversion to equity shares would either increase earnings per share from continuing ordinary activities or decrease loss per share from continuing ordinary activities. The effects of such anti-dilutive potential equity shares are ignored in calculating diluted earnings per share 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 2024-25.

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 - ₹ 50.67 Lakhs on account of Land license fees for construction of railway (Previous year ₹ 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 ₹ 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 30<sup>th</sup> 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<sup>st</sup> March 2025 is ₹ 5488.48 Lakhs (Previous year ₹ 5641.28 Lakhs).  
Apart from the above cases, three individuals have filed cases against the company related to service matters and the total claim amount is ₹ 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<sup>st</sup> March 2025 is ₹ 3407.88 Lakhs approximately (Previous year ₹ 3502.75 Lakhs).
- III. Estimated liability of ₹ 44.32 Lakhs (Previous year ₹ 44.32 Lakhs) against various service matter cases filed against the company are pending before various forums.
- IV. Property Tax of ₹ 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 @ ₹ 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 ₹ 243.99 Lakhs on this account.
- V. Contingent liability of ₹ 312.45 Lakhs (previous year ₹ 312.45 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) & supplementary bill raised by SECL . 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.  
Contingent liability of ₹ 115.81 Lakhs towards OHE maintenance charges on Nepa paper mill siding at Neapanagar for the period from 2021-2024.
- 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<sup>st</sup> March 2025, custom duty of ₹ 2,620 Lakhs (Previous Year ₹ 2620.00 Lakhs) have been saved, against which there is an Export Commitment of ₹ 15,721 Lakhs. (Previous Year 15721 Lakhs). The company has requested DGFT to consider waiver through its administrative ministry.
- VIII. Claim receivable included ₹ 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 ₹ 386.09 lakhs and provision is created for remaining amount.
- IX. Company has received demand note in earlier year of ₹ 1469.62 lakh for property tax w.e.f 01/04/2017. But no provision has been made for such amount in the books of accounts in current year as per AS-29, due to company has submitted representation before the Nagar Palika Parisad Authority on which sub-collector was assured for call a meeting for finalization of the assessment.

**B) Guarantees**

Bank Guarantee issued by Banks are outstanding by ₹ 481.11 Lakh (Previous year ₹ 481.11 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.

(₹ In Lakhs)

Name of the Statute	Period to which Dispute Relates	Amount Disputed	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 2024-25	243.99	M.P. High Court, Jabalpur Bench
Goods and Services Tax Act, 2017	July 2017 to March 2018	540.55	Appellate Authority Indore
Goods and Services Tax Act, 2017	2017 to 2020	867.49	Appellate Authority Indore
Income Tax Act, 1961	FY 2017-18 AY 2018-19	204.37	ADDL/JCIT (A)-1 Guwahati

**II. TDS Defaults of ₹ 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. There is Nil income tax demand as on 31<sup>st</sup> March 2025.

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

(a) The project cost originally envisaged considering increase on account of technology enhancements/escalation/inflation/foreign exchange fluctuations etc. is ₹ 43,400 Lakhs (Net of EPCG benefits of ₹ 2,400 Lakhs). Due to scope addition and GOI approval against scope addition for ₹ 78.41 Cr project cost revised to ₹ 512.41 Cr. GOI approval for RMDP package under various heads is as follows:

₹ in Cr

Date of sanction	Fund for RMDP	Salary /wages / statutory dues	VRS	Interest waiver on Loan	Total	Remarks
Sep 12	157	0	60	17.18	234.18	₹ 128 Cr Loan not provided by FILs
Oct 18	277	101.58	90.83	0	469.41	
Oct 21	78.41	31.63	0	0	110.04	
<b>Total Sanctioned</b>	<b>512.41</b>	<b>133.21</b>	<b>150.83</b>	<b>17.18</b>	<b>813.63</b>	
<b>Released</b>	<b>512.41</b>	<b>133.21</b>	<b>106.54</b>	<b>17.18</b>	<b>769.34</b>	₹ 44.29 Cr not released as VRS stopped in Apr 19
<b>UC Submitted</b>	<b>487.47</b>	<b>133.21</b>	<b>95.52</b>	<b>17.18</b>	<b>733.38</b>	
<b>Pending UC</b>	<b>24.94</b>	<b>Nil</b>	<b>11.02</b>	<b>Nil</b>	<b>35.96</b>	Unspent Amount

40. The net worth of the Company has been completely eroded and it has accumulated losses of ₹ 94855.61 Lakhs against share capital of ₹ 69432.78 Lakhs. The net current liability exceeds its current assets by ₹ 53687.33 Lakhs and there are no positive working capital funds.

#### Revival Plan:

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:

- 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.
- 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.
- GST Credit:** The company has accumulated GST credit amounting to ₹33 crore.
- Vendor Negotiations:** We are negotiating extended credit terms with our vendors to facilitate the procurement of essential materials and services required for production.
- 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.
- 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 7% of its capacity due to the lack of working capital.
- 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 Confident 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 ₹ 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.
- c) Out of Receivable from Nagar Palika Napanagar of ₹ 7,67,90,865 as on 31<sup>st</sup> March 2025, The provision is created for ₹ 22049195 of amounting outstanding for more than 3 years based on conservative approach.

#### 42. **Foreign Exchange Transactions:**

##### a) **Expenditure in Foreign currency** (₹ in Lakhs)

S. No.	Particulars	2024-25	2023-24
1	For RMDP (Incl. advance)	0	0
	<b>Total</b>	<b>0</b>	<b>0</b>

- b) Income in foreign currency ₹ 0.00 Lakhs (Previous year- Nil).
- c) CIF value of Imports.

(₹ In Lakhs)

S. No	PARTICULARS	2024-25	2023-24
1	Raw Materials	NIL	NIL
2	Capital Goods under RMDP	NIL	NIL
	<b>TOTAL</b>	<b>NIL</b>	<b>NIL</b>

#### 43. **Supplementary Information**

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

(₹ In Lakhs)

Sr. No.	PARTICULARS	Raw Materials		Stores & Spares	
		2024-25	2023-24	2024-25	2023-24
1	Imported	NIL	NIL	NIL	NIL
2	Indigenous	1833.39	7769.37	77.42	177.65

#### 44. **Status of Secretarial Compliances**

- 44.1. 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.
- 44.2. Company had issued shares to President of India and Governor of Madhya Pradesh during the period 17-02-2016 to 30-08-2016 and in 2019-20 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 2024-25.

- 44.3. Charge Satisfaction Form was already filled for borrowings by the company in earlier years but charges were not removed from ROC Charge Index Register and filed copies of and filed copies of forms from 1967-1999 are unavailable because the company submitted physical forms for older charges during that period . During migration of MCA Portal In 2006 it was not updated and still showing as open Charge.
- 44.4. The cost records have been maintained by the Company. Cost Auditors were appointed for FY 24-25 by the Company.

45. **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: -

As at 31<sup>ST</sup> March 2025

	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
<b>Projects in progress</b>	442.10	-	-	-	442.10

As at 31<sup>st</sup> March 2024

	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
<b>Projects in progress</b>	525.37	-	-	-	525.37

- e. The Company have Intangible Assets under Development.

As at 31<sup>st</sup> March 2025

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
<b>ERP Software</b>	42.30	4.70	-	-	47.00

As at 31<sup>st</sup> March 2024

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
<b>ERP Software</b>	0.00	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 ₹ 3431.73 Lakh from Bank of India. However the Company is not required to file quarterly return or statement of current asset with Bank. Being OD FDR Facility.
- 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: ₹ 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: ₹ 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: ₹ 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 IF Variance > 25%
<b>Current Ratio</b>	Current Asset	Current Liabilities	0.22	0.28	-21.67%	NA
<b>Debt-Equity Ratio</b>	Total Debt (long Term + Short Term)	Shareholders' Equity	-1.11	-1.84	-40.01%	Due to increase in borrowings, and losses in the current F.Y.
<b>Debt Service Coverage Ratio</b>	Earnings available for debt services	Interest & Lease Payments + Principal Repayments	-0.13	-0.21	-37.10%	Due to increase in borrowings, interest and losses in the current F.Y.
<b>Return on Equity Ratio</b>	Net Profit after taxes - Preference dividend	Average Shareholder's Equity	-0.18	-0.21	-12.13%	NA
<b>Inventory turnover ratio</b>	Sales	Average Inventory	2.32	3.95	-41.39%	Due to decrease in Sales.
<b>Trade Receivables turnover ratio</b>	Net Sales	Average Accounts Receivable	18.19	77.38	-76.50%	Due to the decrease in Sales.
<b>Trade payables turnover ratio</b>	Net Credit Purchases	Average Accounts Payables	1.72	6.89	-75.04%	Due to the decrease in the Purchase & increase in Trade Payables.
<b>Net capital turnover ratio</b>	Net Sales	Working Capital	-0.09	-0.30	-71.22%	Due to increase in borrowings, Interest cost and

						losses in the current financial year
<b>Net profit ratio</b>	Net Profit after tax	Net Sales	-2.40	-1.02	136.13%	Due to decrease in sales.
<b>Return on Capital employed</b>	Earnings before interest and taxes (EBIT)	Capital Employed	-0.30	1.58	-118.77%	Due to losses.

- 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.
46. Amounts reported in the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement are in Indian rupees rounded off to the nearest Rupees in Lakhs.
47. The GST records of the Company are not reconciled with the balances appearing in the books of accounts. The balance of GST as per GST Portal is ₹ 3148.27 Lakhs and Balance as per Books is ₹ 3371.04 Lakhs difference of ₹ 222.77 Lakhs. No reconciliation is made for the said difference. Further, VAT records of the Company are not reconciled with the balances appearing in the books of accounts.
48. 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 Subhash Chand Jain Anurag & Associates

Chartered Accountants

FR NO. 004733C

(CA Akshay Jain)

Partner

M.No.: 447487

Place: Napanagar

Date: 26/06/2025

FOR AND ON BEHALF OF THE BOARD

(P.K. Naik)

Director Finance

DIN 08676709

(Cmde Arvind Vadhera, VSM)

Chairman cum Managing Director

DIN:11104498

(Mrs. Nidhi Mishra)

Company Secretary

M. No. A53762

(Vikas Reddy)

Chief Financial Officer

**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 2025**

The preparation of financial statements of NEPA Limited for the year ended 31 March 2025 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 26 June 2025.

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 2025 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.

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

**A. Comments on Profitability**

**A.1 Equity and Liabilities**

**Current liabilities**

**Other current liabilities (Note No. 9): ₹42,338.01 lakh**

NEPA Limited (the company) imported four numbers of Plant and Machinery<sup>1</sup> during implementation of its Revival and Mill Development Plan and availed the benefit of custom duty exemption amounting to ₹26.20 crore. The exemption was given under Export Promotion Capital Goods (EPCG) Scheme, wherein the Company was required to fulfil an aggregate export obligation of ₹157.21 crore in six years reckoned from the date of issue of Export Promotion Capital Goods authorisation<sup>2</sup> for each plant/machinery.

Though the Revival and Mill Development Plan had been completed on 23 August 2022 and the production was commenced with effect from September 2022, the Company could not fulfil any export obligation within the period of six years from the EPCG authorisation<sup>3</sup>. The Company sought (August 2020) extension against one of the EPCG authorisations (DIP), but did not get any response from the Directorate General of Foreign Trade (DGFT). Moreover,

<sup>1</sup> De-inking Plant (DIP), Paper Machine 1 & 2, and Chemical Handling and Processing Plant and Reel Wrapping Machine during the period 2016 to 2019.

<sup>2</sup> Dates of EPCG authorisation: DIP: 27.01.2016, Paper Machine 1 & 2: 03.08.2016, Chemical Handling and Processing Plant: 21.03.2017 and Reel Wrapping Machine: 05.03.2019

<sup>3</sup> The period of fulfilment of Export obligation against last EPCG authorisation for Reel Wrapping Machine elapsed on 04 March 2025.

the allowable time extension<sup>4</sup> of two years beyond the stipulated export obligation period of six years had also elapsed in case of the remaining three EPCG authorisations.

As the Company could not fulfil the export obligation, there was a present obligation for the Company to pay the customs duty of ₹26.20 crore and therefore the same should have been provided for in the books of accounts as per the requirements of Para 14 of AS 29 (Provisions, Contingent Liabilities and Contingent Assets).

Non-provision for the liability resulted in understatement of Other Current Liabilities by ₹26.20 crore, understatement of Property, Plant and Equipment by ₹22.63 crore and understatement of depreciation by ₹3.57 crore. Consequently, Loss for the year was also understated by ₹3.57 crore.

## A.2 Assets

### Non-Current Assets

**Property, Plant and Equipment (Note No. 11a): ₹35,359.32 lakh**

**Capital Work in Progress (Note No. 11b): ₹442.10 lakh**

Capital Work in Progress included expenditure related to 'Other stores of Capital nature' amounting to ₹352.18 lakh, 'Factory Civil works (other than stores consumption)' amounting to ₹59.80 lakh and 'Plant & Machinery under/awaiting erection' amounting ₹30.13 lakh. The said expenditure/items were incurred/procured during implementation of the Revival and Mill Development Plan (RMDP) of the Company. As the RMDP had been completed on 23 August 2022 and production was started with effect from September 2022, the aforesaid expenditure should have been capitalised.

Non-capitalisation of the said expenditure resulted in overstatement of Capital Work in Progress by ₹442.10 lakh, understatement of Property, Plant and Equipment by ₹385.10 lakh and depreciation by ₹57 lakh<sup>5</sup>. Consequently, Loss for the year was also understated by ₹57 lakh.

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

५९७  
१२/८/२०

**(Dr. Pawan Kumar Konda)**

**O S D**

**(Industry and Corporate Affairs)**

**New Delhi**

**Place: New Delhi**

**Date 12 AUG 2025**

<sup>4</sup> As per clause 5.01 (c) read with clause 5.17 (b) of EPCG Scheme.

<sup>5</sup> ₹48.02 lakh on ₹352.18 lakh, ₹4.10 lakh on ₹30.13 lakh and ₹4.88 lakh on ₹59.80 lakh (Depreciation amount for the period September 2022 to 31 March 2025)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013, ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2025 AND MANAGEMENT REPLY THERE TO**

SR. No.	CAG COMMENTS	Management Reply
<b>A. Comments on Profitability</b>		
A.1	<p><b>Equity and Liabilities</b>  <b>Current liabilities</b>  <b>Other current liabilities (Note No. 9): ₹ 42,338.01 lakh</b></p> <p>NEPA Limited (the company) imported four numbers of Plant and Machinery during implementation of its Revival and Mill Development Plan and availed the benefit of custom duty exemption amounting to ₹ 26.20 crore. The exemption was given under Export Promotion Capital Goods (EPCG) Scheme, wherein the Company was required to fulfil an aggregate export obligation of ₹ 157.21 crore in six years reckoned from the date of issue of Export Promotion Capital Goods authorisation for each plant/machinery.</p> <p>Though the Revival and Mill Development Plan had been completed on 23 August 2022 and the production was commenced with effect from September 2022, the Company could not fulfil any export obligation within the period of six years from the EPCG authorisation. The Company sought (August 2020) extension against one of the EPCG authorizations (DIP). but did not get any response from the Directorate General of Foreign Trade (DGFT). Moreover, the allowable time extension of two years beyond the stipulated export obligation period of six years had also elapsed in case of the remaining three EPCG authorisations.</p> <p>As the Company could not fulfil the export obligation, there was a present obligation for the Company to pay the customs duty of ₹ 26.20 crore and therefore the same should have been provided for in the books of accounts as per the requirements of Para 14 of AS 29 (Provisions, Contingent Liabilities and Contingent Assets).</p> <p>Non-provision for the liability resulted in understatement of Other Current Liabilities by {26.20 crore. understatement of Property, Plant and Equipment by ₹ 122.63 crore and understatement of depreciation by ₹ 3.57 crore. Consequently, Loss for the year was also understated by ₹ 3.57 crore.</p>	<p>1. Provision for Custom Duty under EPCG Scheme:  The company had imported capital machinery during 2016–2019 under the EPCG Scheme and availed the benefit of customs duty exemption amounting to ₹26.20 crore, against an export obligation (EO) of ₹157.21 crore. However, due to prolonged suspension of production and delay in revival activities, the export obligation could not be fulfilled within the stipulated time.</p> <p>The company's revival under the RMDP scheme was completed on 23.08.2022 and market accepted quality commercial production resumed in Feb-2023. The company has requested for an exemption from its Export Promotion Capital Goods (EPCG) scheme obligations in a letter to the DGFT. This request cites a four-year delay in the commencement of production from estimated (Commercial production could begin in Feb 23) due to COVID-19 related setbacks in NEPA's revival plan. The company continues to follow up with the DGFT regarding this exemption through ongoing correspondence citing force majeure condition. The matter is under consideration at DGFT.</p> <p>As Company has neither received any reply nor confirmed demand notice regarding payment of custom duty against non-compliance of export obligations till date, Hence contingent liability of Rs.26.20 for FY 24-25 has been included in the financial statements.</p>

A.2	<p><b>Assets</b></p> <p><b>Non-Current Assets</b></p> <p><b>Property, Plant and Equipment (Note No. 11a): ₹ 35,359.32 lakh</b></p> <p><b>Capital Work in Progress (Note No. 11b): ₹ 442.10 lakh</b></p> <p>Capital Work in Progress included expenditure related to 'Other stores of Capital Nature' amounting to ₹ 352.18 lakh. 'Factory Civil works (other than stores consumption)' amounting to ₹ 59.80 lakh and 'Plant &amp; Machinery under/awaiting erection' amounting ₹ 30.13 lakh. The said expenditure/items were incurred/procured during implementation of the Revival and Mill Development Plan (RMDP) of the Company. As the RMDP had been completed on 23 August 2022 and production was started with effect from September 2022, the aforesaid expenditure should have been capitalised.</p> <p>Non-capitalisation of the said expenditure resulted in overstatement of Capital Work in Progress by -442.10lakh, understatement of Property, Plant and Equipment by ₹385.10 lakh and depreciation by ₹57 lakhs. Consequently, Loss for the year was also understated by ₹57 lakh.</p>	<p><b>(A) Regarding “Other Stores of Capital Nature” amounting to ₹352.18 lakh shown under CWIP:</b></p> <p>The amount of ₹352.18 lakh pertains to capital stores procured along with Plant &amp; Machinery under the RMDP scheme. These stores were installed and put to use post-commissioning of the plant. However, the classification remained under CWIP due to pending reconciliation and finalization of capital asset grouping.</p> <p>Based on AS-10 and Schedule III of the Companies Act, 2013, we agree that such stores, once installed and put to use, should be capitalized and transferred from CWIP to fixed assets or to inventory/stores and spares based on their usage nature.</p> <p>The necessary classification and adjustments will be carried out in the books of accounts for the year 2025–26 to ensure proper presentation and compliance with AS-10 and AS-2, as applicable.</p> <p><b>(B) Regarding ₹89.93 lakh (₹30.13 lakh + ₹59.80 lakh) for Plant &amp; Machinery awaiting erection and Factory Civil Works shown under CWIP:</b></p> <p>The figures referred to under the head "Plant &amp; Machinery Under/Awaiting erection" and "Factory Civil Works (other than store consumption)" amounting to ₹89.93 lakh pertain to invoices submitted by the respective user departments for liabilities recognized on or before 31.03.2025. These invoices were received by the user departments; however, the final verification and certification of work completion were still pending as of that date. Hence, these bills were not recommended for payment at that time.</p> <p>As per our past practice and accounting treatment consistently followed, such invoices are provisionally booked as outstanding liabilities and correspondingly shown under Capital Work in Progress (CWIP) as on 31.03.2025. This treatment is intended to ensure accurate accrual of expenses in the financial year to which they pertain.</p> <p>Subsequently, on 01.04.2025, these provisional entries are reversed. Once the user department completes the due verification and formally recommends these bills for payment during the financial year 2025-26, the said amounts are then capitalized to the relevant asset heads under Property, Plant &amp; Equipment in accordance with AS 10.</p> <p>We trust the above explanation clarifies the rationale behind the accounting treatment adopted, which is in line with accrual-based accounting and internal procedures aimed at maintaining transparency and compliance.</p> <p>These actions will be reflected in the revised accounts or in the books of FY 2025–26 as part of the ongoing finalization and audit compliance process.</p>
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Cultural Activities on Independence Day  
स्वतंत्रता दिवस पर सांस्कृतिक कार्यक्रम



'Har Ghar Tiranga' rally  
हर घर तिरंगा रैली



Celebrated 11th International Yoga Day with the theme "Yoga for One Earth, One Health."  
एक पृथ्वी, एक स्वास्थ्य के लिए योग थीम के साथ 11 वां अंतराष्ट्रीय योग दिवस मनाया गया



Release of the first annual magazine of Vigilance Department "Nepa Viz"  
**सतर्कता विभाग की प्रथम वार्षिक पत्रिका - नेपा विज्ञ का विमोचन**



Walkathon on 69th Foundation Day of NEPA Ltd.  
**नेपा लिमिटेड के 69वें स्थापना दिवस पर वीकथॉन**



Health Camp at NEPA Ltd. Hospital  
**नेपा लिमिटेड अस्पताल में स्वास्थ्य शिविर**



Celebrated Women's Day  
महिला दिवस मनाया गया



Nepa Ladies Club Activities  
नेपा महिला क्लब द्वारा कार्यक्रम



Plantation Activity by Nepa Ladies Club  
नेपा महिला क्लब द्वारा पौधारोपण

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