
**38TH
ANNUAL REPORT
2012 - 2013**



AURANGABAD PAPER MILLS LIMITED

AURANGABAD PAPER MILLS LIMITED

Regd. Office : MIDC, Paithan, Dist. Aurangabad - 431 148. Maharashtra

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

| | |
|--|----------------------------|
| | |
| Name of the attending Member (in Block Letters) | Membership Folio Number |
| | |
| Name of Proxy (in Block Letters) [to be filled in if Proxy attends instead of the Member(s)] | Number of shares held |

I hereby record my presence at the Thirty Eight Annual General Meeting of the Company being held on Saturday, 27th July, 2013 at 10.30 a.m. at Regd. Office : MIDC, Paithan, Dist. Aurangabad - 431 148, Maharashtra.

Member's/Proxy's Signature
(To be signed at the time of
handing over the slip)

AURANGABAD PAPER MILLS LIMITED

Regd. Office: M.I.D.C Paithan, Dist - Aurangabad:431 148, Maharashtra

PROXY FORM

(TO BE FILLED IN BY THE SHAREHOLDER)

I/We _____ of _____ being Member/Members of **AURANGABAD PAPER MILLS LIMITED** hereby appoint Mr./Mrs. _____ of _____ or failing him, Mr./Mrs _____ of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday, 27th July, 2013 and at any adjournment thereof.

Signed this _____ day of _____ 2013.

Signature : _____

Affix a
1 Rupee
Revenue
Stamp

Signature(s) of Member(s)

Note : This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the Meeting.



BOARD OF DIRECTORS

| | | |
|---------------------------|---|---------------------------|
| Shri Parmeshwar G. Mittal | : | MANAGING DIRECTOR |
| Shri Shankarlal G. Mittal | : | EXECUTIVE DIRECTOR |
| Shri Badal Mittal | : | EXECUTIVE DIRECTOR |

Shri P.K.B. Nambiar : **CONSULTING COMPANY SECRETARY**

AUDITORS

Sunil Adavade & Co.,
Chartered Accountants
4, 1st Floor, Rajshree Building,
Above Excel Gas Service,
N.G. Acharya Marg,
Chembur, Mumbai - 400 071.
Membership No. 109964

BANKERS

Bank of Maharashtra
Indian Overseas Bank
HDFC Bank

REGISTERED OFFICE & WORKS

M.I.D.C PAITHAN,
Dist. Aurangabad 431 148,
Maharashtra.

ADMINISTRATIVE OFFICE

171/B, Mittal Tower,
210, Nariman Point,
Mumbai - 400 021.
Maharashtra



AURANGABAD PAPER MILLS LIMITED

Regd. Office : M.I.D.C. Paithan, Dist. Aurangabad : 431 148. Maharashtra.

NOTICE OF THIRTY-SIXTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Eight Annual General Meeting of the Members of Aurangabad Paper Mills Limited will be held at the Registered Office of the Company at MIDC Paithan, District - Aurangabad - 431 148 on Saturday the 27th July, 2013 at 10.30 a.m. to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss Account for the year ended on that date together with the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of **Shri Shankarlal G. Mittal**, who retires by rotation as per Article 159 of the Articles of Association of the Company and, being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective, must be deposited at the registerd office of the Company, not less than forty-eight hours before the commencement of the meeting. A proxy form is appended with the admission slip.
3. The Register of members and the Share Transfer Books of the Company will remain closed from Saturday the 20th July, 2013 to Saturday the 27th July, 2013 (both days inclusive).

By Order of the Board

- sd -

Place : Mumbai
Date : 29th May, 2013

BADAL MITTAL
EXECUTIVE DIRECTOR

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present their Thirty Eight Annual Report together with the Audited Statement of Accounts for the year ended March 31st, 2013.

| FINANCIAL RESULTS : | Year ended 31.03.2013 (Rs. in lacs) | Year ended 31.03.2012 (Rs. in lacs) |
|--|---|---|
| Loss before Providing for Interest | 53.12 | (19.51) |
| Add : Provision for Interest | 48.88 | (41.46) |
| Net Loss for the year | 102.00 | (60.97) |
| Add : Loss brought forward from previous year | 535.90 | 474.93 |
| Loss carried to the Balance Sheet | 637.90 | 535.90 |

OPERATIONS

The Company had suspended all its manufacturing activities and was a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) till the year 2011 when the net worth of the Company became positive. However, the Company has yet to revive its activities.

DIVIDEND

Your Directors are unable to recommend any dividend for the year ended 31.03.2013 because of the accumulated losses.

DIRECTORS

Shri. Shankarlal G. Mittal will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act, 1956, the Directors of your company confirm :

- A. That in the preparation of the annual accounts, the applicable accounting standard have been followed and no material departures have been made from the same.
- B. That they have selected such accounting policies and applied them consistently and made judgements 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. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- D. That they have prepared the annual accounts on a going concern basis.

AUDIT COMMITTEE

Your Company has not constituted Audit Committee pursuant to the provisions of Section 292A of the Companies Act, 1956, since the Company has not been carrying on any business activities.

PARTICULARS OF EMPLOYEES

There was no employee in respect of whom information is required to be disclosed as per Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.



CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING/OUTGO

Since the Company has not carried out any activities falling within the purview of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of the Board of Directors) Rules, 1988 the information may be treated as nil.

LISTING OF SHARES

The Equity Shares of your company continue to be listed in Bombay Stock Exchange and your Company has paid the Annual Listing fee for the year 2013-2014. The shares of your company are brought under the compulsory dematerialisation and accordingly, the company has entered into Agreement with the NSDL and CDSL

AUDITORS REPORT

The Report of the Auditors on the Account is self explanatory and needs no further explanation.

AUDITORS

The Auditors, M/s. Sunil Adavade & Co., Chartered Accountants will retire on the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. You are requested to appoint the Auditors for the ensuing financial year 2012-2013, and fix their remuneration.

ACKNOWLEDGEMENT

Your Directors are grateful to the Financial Institutions and the Bankers for their continued support and co-operation. Your Directors also wish to place on record their appreciation of the services rendered by the employees at all levels.

For and on behalf of the Board of Directors

- Sd -

Parmeshwar G. Mittal
Managing Director

- Sd -

Badal Mittal
Executive Director

Regd. Off. : M.I.D.C Paithan,
Dist. Aurangabad : 431 148.
Maharashtra
Date : 29th May, 2013

INDEPENDENT AUDITORS' REPORT

The Shareholders,
M/s.Aurangabad Paper Mills Limited,
Mumbai.

Report on the Financial Statements

We have audited We have audited the accompanying financial statements of AURANGABAD PAPER MILLS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - b) in the case of the Statement of Profit and Loss Account, of the LOSS for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



AURANGABAD PAPER MILLS LIMITED

2. As required by section 227(3) of the Act, we report that:
- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

FOR SUNIL ADAVADE & CO.
CHARTERED ACCOUNTANTS
FRN: 121360W

- Sd -
(SUNIL SHIVRAM ADAVADE)
PROPRIETOR
MEMBERSHIP NO. 109964

Place : MUMBAI
Date : 29th May, 2013

**ANNEXURE TO THE AUDITORS' REPORT 31ST MARCH, 2013 REFERRED TO IN THE PARAGRAPH 1
OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS AS AT 31ST MARCH, 2013**

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
 - (c) The fixed assets disposed of during the period, in our opinion, do not constitute a substantial part of the fixed assets of the company and such disposal has, in our opinion not affected the going concern status of the company.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
 - (b) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the other sub clauses are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. In our opinion and as per information & explanation given by the management,



AURANGABAD PAPER MILLS LIMITED

- maintenance of cost records provisions of clauses (a) and (b) are not applicable to the Company.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. In our Opinion, the Company has accumulated losses at the end of the Financial Year and has incurred cash loss during the financial year covered by our audit, However, the company has incurred cash losses in the immediately preceding the financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders during the financial year covered by our audit.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Therefore, the provisions of the clauses are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

FOR SUNIL ADAVADE & CO.
CHARTERED ACCOUNTANTS
FRN: 121360W

- Sd -

Place : MUMBAI (**SUNIL SHIVRAM ADAVADE**)
Date : 29th May, 2013 PROPRIETOR
MEMBERSHIP NO. 109964

NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013
SIGNIFICANT ACCOUNTING POLICIES:

1) Basis Of Preparation Of Financial Statements:

The financial statements have been prepared and presented under the historical cost convention, in accordance with the accounting principles generally accepted in India and in accordance with the applicable Accounting Standards, Guidance Notes and the relevant provisions of the Companies Act, 1956.

2) Use Of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the period in which the results are known / materialized.

3) Revenue Recognition:

- a. Sales are accounted on dispatch of products to customers.
- b. Revenues / Incomes and Costs / Expenditure are generally accounted on accrual, as they are earned or incurred.

4) Fixed Assets And Depreciation:

- a) Premium on Leasehold land is amortized over the period of lease.
- b) Depreciation is provided on Fixed Assets as under:
 - i) In respect of Buildings and Plant & Machinery - on straight line basis in accordance with Section 205(2)(b) of the Companies Act, 1956, at the rates specified in Schedule XIV to the Companies Act, 1956, as revised by Notification No.GSR 756(E)dt.16.12.1993 of the Dept. of Company Affairs.

- ii) In respect of all other Fixed Assets - on written down value basis in accordance with Section 205(2)(a)of the Companies Act, 1956 at the rates specified in Schedule XIV to the Companies Act, 1956, as revised by the notification.

- iii) In respect of additions to/deletions from the Fixed Assets on pro-rata basis with reference to the date of addition deletion of the Asset.

Fixed Assets are stated at cost less depreciation/ amortization. The Depreciation shown in Fixed Assets Schedule has been provided up to Financial Year ending on 31st March, 2000. In subsequent Financial Years - 1st April, 2000 till 31st March, 2013 no depreciation has been provided.

5) Inventories:

Stock of stores, spares, packing materials, coal, color and Chemicals and raw materials are valued after considering deterioration of quality and damage of raw materials, color & chemicals stores & spares, packing materials and coal have been written off on estimated basis. Finished goods are valued at lower of cost or net realizable value

6) Borrowing Costs:

Interests and other borrowing costs attributable to qualifying assets are allocated as part of the cost of construction / development of such assets. Such allocation is suspended during extended periods in which active development is interrupted and, no costs are allocated once all such activities are substantially complete. Other borrowing costs are charged to the Profit and Loss Account.

7) Taxation:

Income tax expense comprises Current Tax and Deferred Tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.



The deferred tax asset and deferred tax liability is calculated by applying tax rate and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. At each Balance Sheet date, the carrying amounts of deferred tax assets are reviewed to reassure realization as per Accounting Standard 22 "Accounting for taxes on Income" issued by the Institute of Chartered Accountants of India.

8) Impairment Of Assets:

The carrying amount of assets is reviewed at each Balance Sheet date. If there is any indication of impairment based on internal/external factors, i.e. when the carrying amount of the assets exceeds the recoverable amount, an impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognised in prior accounting periods is reversed or reduced if there has been a favorable change in the estimate of the recoverable amount.

9) Provisions, Contingent Liabilities And Contingent Assets:

- a) A provision is recognized, if as a result of past event, the Company has a present legal obligation that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability.
- b) A disclosure for Contingent Liability is made when there is possible obligation or a present obligation that may, but probably will not, required outflow of resources. Where there is a possible obligation or present obligation where likelihood of outflow is remote, no provision or disclosure is made.
- c) Contingent assets are neither recognized nor disclosed in the financial statements.

10) Leased Assets:

Rentals and all other expenses in respect of leased assets are treated as revenue expenditure.

11) Treatment Of Expenditure During Construction / Expansion Period:

- a. Expenditure during construction / expansion period are included under capital work in progress and the same is allocated to the respective Fixed Assets on the completion of construction/trial run period.
- b. Interest on borrowing for financing the acquisition of new fixed assets is capitalized till the completion of the project.

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BALANCE SHEET AS AT 31ST MARCH, 2013

| | Note | As At 31 st March, 2013 ₹ | As At 31 st March, 2012 ₹ |
|--|--------------|--|--|
| A. EQUITY AND LIABILITIES : | | | |
| 1. Shareholders Funds : | | | |
| (a) Share capital | 1 | 61,207,380 | 61,207,380 |
| (b) Reserves and surplus | 2 | (63,790,793) | (53,590,476) |
| | | <u>(2,583,413)</u> | 7,616,904 |
| 2. Share application money pending allotment : | | | |
| | | - | - |
| 3. Non-current liabilities : | | | |
| (a) Long-term borrowings | 3 | 264,036,782 | 267,285,126 |
| (b) Other long term liabilities | 4 | - | 6,763,509 |
| | | <u>264,036,782</u> | 274,048,636 |
| 4. Current liabilities : | | | |
| (a) Short-term borrowings | | - | - |
| (b) Trade payables | 5 | 6,091,480 | 25,165 |
| (c) Other current liabilities | 6 | 899,956 | 34,173 |
| (d) Short-term provisions | | - | - |
| | TOTAL | <u><u>268,444,806</u></u> | <u><u>281,724,878</u></u> |
| B. ASSETS | | | |
| 1. Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 7 | 236,715,115 | 248,921,260 |
| (ii) Intangible assets | | - | - |
| (iii) Capital work-in progress | | - | - |
| (iv) Intangible assets under development | | - | - |
| (b) Non-current investments | 8 | 15,500 | 15,500 |
| (c) Long-term loans and advances | 9 | 14,701,167 | 16,839,692 |
| (d) Other Non-current assets | 10 | 904,829 | 904,829 |
| | | <u>15,621,496</u> | 17,760,021 |
| 2. Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 11 | 14,583,844 | 14,583,844 |
| (c) Trade receivables | | - | - |
| (d) Cash and cash equivalents | 12 | 1,474,351 | 459,753 |
| (e) Short-term loans and advances | | 50,000,00 | - |
| (f) Other current assets | | - | - |
| | | <u>16,108,195</u> | 15,043,597 |
| | TOTAL | <u><u>268,444,806</u></u> | <u><u>281,724,878</u></u> |
| Significant Accounting Policies Notes on Financial Statements | 18 | | |

AS PER OUR REPORT ATTACHED

FOR SUNIL ADAVADE & CO.

Chartered Accountant

SUNIL ADAVADE, F.C.A.

Proprietor

MEMBERSHIP NO. 109964

PLACE : MUMBAI

Date : 29th May, 2013

PARMESHWAR G. MITTAL

Managing Director

BADAL MITTAL

Executive Director

PLACE : MUMBAI

Date : 29th May, 2013

**AURANGABAD PAPER MILLS LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2013**

| | Note | As At 31 st March, 2013 ₹ | As At 31 st March, 2012 ₹ |
|---|------|--|--|
| 1. Revenue from Operations (Gross) | 13 | 0 | 0 |
| Less : Excise duty | | | |
| Revenue from Operations (Net) | | 0 | 0 |
| 2. Other income | 14 | 799,289 | 220,000 |
| 3. Total revenue(1 + 2) | | 799,289 | 220,000 |
| 4. Expenses | | | |
| (a) Cost of materials consumed | | 0 | 0 |
| (b) Employee benefits expense | 15 | 481,255 | 235,561 |
| (c) Finance costs | 16 | 4,888,058 | 4,146,048 |
| (d) Depreciation and amortisation expense | | 0 | 0 |
| (e) Other expense | 17 | 5,630,293 | 1,935,931 |
| Total expenses | | 10,999,606 | 6,317,540 |
| 5. Profit / (Loss) before tax (3-4) | | (10,200,317) | (60,975,40) |
| 6. Tax expense: | | | |
| (a) Current tax expense for current year | | 0 | 0 |
| (b) (Less): MAT credit (where applicable) | | 0 | 0 |
| (c) Current tax expense relating to prior years | | 0 | 0 |
| (d) Net current tax expense | | 0 | 0 |
| (e) Deferred tax | | 0 | 0 |
| | | 0 | 0 |
| 7. Profit / (Loss) for the year (5-6) | | (10,200,317) | (60,975,40) |
| Earnings per Equity share face value (of ₹ 10/- each): | | | |
| Basic and Diluted in (₹) | | (18) | (10) |
| Significant Accounting Policies and Notes to Financial Statements | 18 | | |

AS PER OUR REPORT ATTACHED

FOR SUNIL ADAVADE & CO.

Chartered Accountant

SUNIL ADAVADE, F.C.A.

Proprietor

MEMBERSHIP NO. 109964

PLACE : MUMBAI

Date : 29th May, 2013**PARMESHWAR G. MITTAL**

Managing Director

BADAL MITTAL

Executive Director

PLACE : MUMBAI

Date : 29th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

| | (₹ in Lacs) 2012 - 2013 | (₹ in Lacs) 2011 - 2012 |
|---|----------------------------|----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit / (Loss) before tax and extraordinary items: | (102.00) | (60.98) |
| Adjustment for : | | |
| (a) Profit / (Loss) on sale of assets | 5.43 | 0.00 |
| (b) Dividend Income / Interest Income | 0.00 | 0.00 |
| (c) Interest & Finance charges | 48.88 | 41.46 |
| (d) Sundry Balances written Off / back | (7.74) | 0.00 |
| (e) Lease premium paid | 0.22 | 0.22 |
| | <u>(55.21)</u> | <u>(19.30)</u> |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES : | | |
| Adjustment for : | | |
| (a) Trade and other receivables | 20.89 | (7.85) |
| (b) Inventories | 0.00 | 0.00 |
| (c) Trade and other payable | 9.43 | (0.70) |
| CASH GENERATED FROM OPERATIONS | <u>(24.89)</u> | <u>(27.85)</u> |
| Interest & Finance charges | (48.88) | (41.46) |
| NET CASH FROM OPERATING ACTIVITIES | <u>(73.77)</u> | <u>(69.31)</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES : | | |
| (a) (Purchase) of Fixed assets | 0.00 | 0.00 |
| (b) Sale of Fixed Assets | 116.40 | 0.00 |
| (c) Dividend received | 0.00 | 0.00 |
| NET CASH FROM INVESTING ACTIVITIES | <u>116.40</u> | <u>0.00</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES : | | |
| (a) Repayment of Loans | (32.48) | 0.00 |
| (b) Proceeds from borrowings | 0.00 | 69.19 |
| NET CASH FROM FINANCING ACTIVITIES | <u>(32.48)</u> | <u>69.19</u> |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C) | <u>10.15</u> | <u>(0.12)</u> |
| Cash and cash equivalents as at 01.04.2012 (Opening Balance) | 4.60 | 4.72 |
| Cash and cash equivalents as at 31.03.2013 (Closing Balance) | <u>14.74</u> | <u>4.60</u> |
| Net Increase/ (Decrease) as disclosed above | <u>10.15</u> | <u>(0.12)</u> |

Note: All figures in brackets are outflows

PLACE : MUMBAI
Date : 29th May, 2013

PARMESHWAR G. MITTAL
Managing Director

BADAL MITTAL
Executive Director

AUDITORS, CERTIFICATE

We have verified the above cash flow statement of Aurangabad Paper Mills Limited derived from the audited annual account for the year ended 31st March, 2013 and found the same to be drawn in accordance therewith and also with the requirements of the listing agreement with Stock Exchange.

FOR SUNIL ADAVADE & CO.
Chartered Accountant

PLACE : MUMBAI
Date : 29th May, 2013

SUNIL ADAVADE, F.C.A.
Proprietor
MEMBERSHIP NO. 109964



AURANGABAD PAPER MILLS LIMITED

Notes on Financial Statements for the year ended on 31st March, 2013

| Note 1 Share Capital | As at 31 March, 2013 | | As at 31 March, 2012 | |
|--|-----------------------------|-------------------|-----------------------------|-------------------|
| Particulars | Number of shares | | Number of shares | |
| (a) Authorised Share Capital: | | | | |
| Equity shares of ₹ 10/- each | 5,825,000 | 58,250,000 | 5,825,000 | 58,250,000 |
| Preference shares of ₹ 100/- each | 217,500 | 21,750,000 | 217,500 | 21,750,000 |
| Total | 6,042,500 | 80,000,000 | 6,042,500 | 80,000,000 |
| (b) Issued, Subscribed and Paid up : | | | | |
| Equity shares of ₹ 10/- each | 5,814,138 | 58,141,380 | 5,814,138 | 58,141,380 |
| Cumulative Convertible Redeemable Preference shares of ₹100/- each | 30,660 | 3,066,000 | 30,660 | 3,066,000 |
| Total | 5,844,798 | 61,207,380 | 5,844,798 | 61,207,380 |

Details of shares held by each shareholder holding more than 5% shares:

| | As at 31 March, 2013 | | As at 31 March, 2012 | |
|--|------------------------------|--|------------------------------|--|
| Class of shares / Name of shareholder | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Againi Investmnets Private Limited | 8,83,866 | 15.20 | 8,83,866 | 15.20 |
| Susmit Investments & Finance P Ltd | 9,91,656 | 17.06 | 9,91,656 | 17.06 |
| Shailabala K. Chaudhari | 3,83,455 | 6.60 | 3,83,455 | 5.37 |

The reconciliation of number of shares outstanding is set out below:

| | As at 31 March, 2013 | | As at 31 March, 2012 | |
|---|-----------------------------|--|-----------------------------|--|
| Particulars | Number of Shares | | Number of Shares | |
| Equity shares at the beginning of the year | 58,14,138 | | 58,14,138 | |
| Add: Shares issued on exercised on Employee Stock Options | 0 | | 0 | |
| Less: Shares cancelled on buyback of Equity shares | 0 | | 0 | |
| Equity shares at tbe end of the year | 58,14,138 | | 58,14,138 | |

The reconciliation of number of shares outstanding is set out below :

| | As at 31 March, 2013 | | As at 31 March, 2012 | |
|---|-----------------------------|--|-----------------------------|--|
| Particulars | Number of Shares | | Number of Shares | |
| Cumulative Convertible Redeemable Preference shares at tbe beginning of the year | 30,660 | | 30,660 | |
| Add: Shares issued on exercised on Employee Stock Options | 0 | | 0 | |
| Less: Shares cancelled on buyback of Equity shares | 0 | | 0 | |
| Cumulative Convertible Redeemable Preference shares at the end of the year | 30,660 | | 30,660 | |

Notes on Financial Statements for the year ended on 31st March, 2013

| Note 2 : Reserves and Surplus | As at 31 March, 2013 | As at 31 March, 2012 |
|--|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (k) Surplus / (Deficit) in Statement of Profit and Loss : | | |
| Opening balance | (5,35,90,476) | (4,74,92,936) |
| Add: Profit / (Loss) for the year | (1,02,00,317) | (60,97,540) |
| Closing balance | (6,37,90,793) | (5,35,90,476) |
| Total | (6,37,90,793) | (5,35,90,476) |

| Note 3 : Long-Term Borrowings | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Unsecured loans from Banks | 3,22,21,643 | 2,76,09,126 |
| (b) Unsecured Deferred payment liabilities | 5,17,97,517 | 5,21,90,878 |
| (c) Unsecured Loans and advances from Other parties | 18,00,17,622 | 18,74,85,122 |
| Total | 26,40,36,782 | 26,72,85,126 |

Note 3.1 : Long-term borrowings (contd.) As at 31 March, 2013 As at 31 March, 2012
 Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

| Particulars : Terms of repayment | Secured | Unsecured | Secured | Unsecured |
|--|----------------|------------------|----------------|------------------|
| Deferred sales tax Loan Interest free | 0 | 5,17,97,517 | 0 | 5,21,90,878 |
| Total - Deferred payment liabilities | 0 | 5,17,97,517 | 0 | 5,21,90,878 |

(iv) Details of long-term borrowings guaranteed by some of the directors or others:

| | | | | |
|--|---|-------------|---|-------------|
| Loans from National Co-op. Bank Ltd | 0 | 3,22,21,643 | 0 | 2,76,09,126 |
|--|---|-------------|---|-------------|

| Note 4 : Other long-term liabilities | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Trade Payables: | | |
| Sundry Creditors | - | 6,36,550 |
| (b) Other Liabilities | - | 61,26,959 |
| Total | - | 67,63,509 |

| Note 5 : Trade payables | As at 31 March, 2013 | As at 31 March, 2012 |
|--------------------------------|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| Sundry Creditors | 60,91,480 | 25,165 |
| Total | 60,91,480 | 25,165 |

| Note 6 : Other Current Liabilities | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| Other Liabilities | 8,99,956 | 34,173 |
| Total | 8,99,956 | 34,173 |



Notes on Notes on Financial Statements for the year ended on 31st March, 2013

Note 7 : Fixed Assers

| DESCRIPTION | GROSS BLOCK | | DEPRECIATION | | NET BLOCK | |
|---------------------------|--------------------|--|--------------------|--|--------------------|--------------------|
| | ASAT 31.03.2012 | ADDITIONS DEDUC- TIONS 31.03.2013 | ASAT 31.03.2012 | FOR THE YEAR DEDUC- TIONS 31.03.2013 | ASAT 31.03.2013 | ASAT 31.03.2012 |
| TANGIBLE ASSETS: | | | | | | |
| OWN ASSETS: | | | | | | |
| Buildings | 86924381 | 0 | 20837259 | 0 | 66087122 | 66087122 |
| Plant & Machinery | 322583623 | 0 | 145794265 | 0 | 164604958 | 176789358 |
| Furniture & Fixtures | 5354032 | 0 | 3618627 | 0 | 1735405 | 1735405 |
| Fire Fighting Equipments | 1129542 | 0 | 922329 | 0 | 207213 | 207213 |
| Computers | 83776 | 0 | 0 | 0 | 83776 | 83776 |
| SUB-TOTAL | 416075354 | 0 | 171172480 | 0 | 232718474 | 244902874 |
| LEASEHOLD ASSETS: | | | | | | |
| Land | 4018386 | 0 | 0 | 0 | 3996641 | 4018386 |
| SUB-TOTAL | 4018386 | 0 | 0 | 0 | 3996641 | 4018386 |
| TOTAL Rs. (A) | 420093740 | 0 | 171172480 | 0 | 236715115 | 248921260 |
| INTANGIBLE ASSETS: | | | | | | |
| Technical Knowhow Fees | 0 | 0 | 0 | 0 | 0 | 0 |
| Software | 0 | 0 | 0 | 0 | 0 | 0 |
| Development Rights | 0 | 0 | 0 | 0 | 0 | 0 |
| Others | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Rs. (B) | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Rs. (A+B) | 420093740 | 0 | 171172480 | 0 | 236715115 | 248921260 |
| PREVIOUS YEAR | 420137230 | 0 | 171172480 | 0 | 248943005 | 248964750 |

Notes on Financial Statements for the year ended on 31st March, 2013

| Note 8 : Non-current investments | As at 31 March, 2013 | | | As at 31 March, 2012 | | |
|----------------------------------|----------------------|---------------|------------|----------------------|---------------|------------|
| | Quoted ₹ | Unquoted ₹ | Total ₹ | Quoted ₹ | Unquoted ₹ | Total ₹ |
| Particulars | | | | | | |
| Investments (At cost) : | | | | | | |
| (A) Trade Investments | 0 | 0 | 0 | 0 | 0 | 0 |
| Total (A) | 0 | 0 | 0 | 0 | 0 | 0 |

| Note 8 : Non-current investments (contd.) | As at 31 March, 2013 | | | As at 31 March, 2012 | | |
|---|----------------------|---------------|---------------|----------------------|---------------|---------------|
| | Quoted ₹ | Unquoted ₹ | Total ₹ | Quoted ₹ | Unquoted ₹ | Total ₹ |
| Particulars | | | | | | |
| B. Other investments : | | | | | | |
| National Co-operative Bank Limited | - | 1,250 | 12,500 | 0 | 1,250 | 12,500 |
| The Bombay Mercantile Bank Limited | - | 100 | 3,000 | - | 100 | 3,000 |
| Total - Other investments (B) | - | 1,350 | 15,500 | - | 1,350 | 15,500 |
| Total (A+B) | - | 1,350 | 15,500 | - | 1,350 | 15,500 |
| Less: Provision for diminution in value of investments | | | - | | | - |
| Total | | | 15,500 | | | 15,500 |
| Aggregate amount of quoted investments | | | - | | | - |
| Aggregate market value of listed and quoted investments | | | - | | | - |
| Aggregate value of listed but not quoted investments | | | - | | | - |
| Aggregate amount of unquoted investments | | 1,350 | 15,500 | | 1,350 | 15,500 |

| Note 9 : Long-term loans and advances | As at 31 March, 2013 | | As at 31 March, 2012 | |
|--|----------------------|--|----------------------|--|
| | ₹ | | ₹ | |
| (a) Unsecured Loans and advances to employees | 41,66,263 | | 32,75,563 | |
| (b) Other advances | 91,01,608 | | 91,01,608 | |
| (c) Income tax Refund receivable | 38,449 | | 38,449 | |
| (d) Unsecured Deposits with Government Authorities | 13,94,847 | | 44,24,072 | |
| Total | 1,47,01,167 | | 1,68,39,692 | |

| Note 10 : Other Non-Current assets | As at 31 March, 2013 | | As at 31 March, 2012 | |
|--|----------------------|--|----------------------|--|
| | ₹ | | ₹ | |
| Particulars | | | | |
| Unamortised expenses | | | | |
| (i) Share issue expenses | 7,42,829 | | 7,42,829 | |
| (ii) Non- Convertible Debenture Issue Expenses | 1,62,000 | | 1,62,000 | |
| Total | 9,04,829 | | 9,04,829 | |

**AURANGABAD PAPER MILLS LIMITED****Notes on Financial Statements for the year ended on 31st March, 2013**

| Note 11 : Inventories | As at 31 March, 2013 | As at 31 March, 2012 |
|------------------------------|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| Stores & Spares | 1,45,83,844 | 1,45,83,844 |
| Total | 1,45,83,844 | 1,45,83,844 |

| Note 12 : Cash and cash equivalents | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Cash on hand | 3,02,776 | 3,14,973 |
| (b) Balances with bank In current accounts | 11,71,574 | 1,44,779 |
| Total | 14,74,351 | 4,59,753 |

| Note 13 : Revenue from operations | As at 31 March, 2013 | As at 31 March, 2012 |
|---|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Sale of products | - | 0 |
| (b) Other operating revenues (Refer No (i) below) | 799,289 | 220,000 |
| | 799,289 | 220,000 |
| (c) Less: Excise duty | - | 0 |
| Total | 799,289 | 220,000 |
| (i) Other operating revenues comprise: | | |
| Sale of scrap | - | 220,000 |
| Duty drawback and other export incentives | - | - |
| Others (specify nature) | 799,289 | - |
| Total - Other operating revenues | 799,289 | 220,000 |

| Note 14 : Other income | As at 31 March, 2013 | As at 31 March, 2012 |
|--|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Interest income | 0 | 0 |
| (b) Dividend income from long-term investments others | 0 | 0 |
| (c) Other non-operating income (net of expenses directly attributable to such income) (Refer Note (i) below) | 0 | 0 |
| Total | - | - |
| (i) Other non-operating income comprises: | | |
| Sundry Balances Written back | 774,289 | 0 |
| Spares & Stores restored | - | 0 |
| Miscellaneous income | 25,000 | 0 |
| Total - Other non-operating income | 799,289 | 0 |

Notes on Financial Statements for the year ended on 31st March, 2013

| Note 15 : Employee Benefits Expense | As at 31 March, 2013 | As at 31 March, 2012 |
|--|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Salaries and wages | 4,22,138 | 1,81,750 |
| (b) Contributions to provident and other funds | - | - |
| (c) Staff welfare expenses | 59,117 | 53,811 |
| Total | 4,81,255 | 2,35,561 |

| Note 16 : Finance costs | As at 31 March, 2013 | As at 31 March, 2012 |
|---------------------------------|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Interest Expense | 48,87,447 | 33,69,028 |
| (b) Other Borrowing Cost | 611 | 665 |
| (c) Bank Guarantee charges paid | - | 7,76,355 |
| Total | 48,88,058 | 41,46,048 |

| Note 17 : Other expenses | As at 31 March, 2013 | As at 31 March, 2012 |
|--|-----------------------------|-----------------------------|
| Particulars | ₹ | ₹ |
| (a) Manufacturing Expenses: | | |
| Rent including lease rentals | 21,745 | 21,745 |
| (b) Selling and Distribution Expenses: | | |
| Advertisement and Publication | 24,883 | - |
| (c) Establishment Expenses: | | |
| Rates and taxes | 1,19,615.00 | 56,934 |
| Communication | 37,750.00 | 68,657 |
| License Registration & Inspection | 82,234.00 | 91,543 |
| Travelling and conveyance | 44,381.00 | 1,22,118 |
| Sales tax paid | 16,17,639.00 | - |
| Excise duty paid | 9,89,000.00 | - |
| Printing and stationery | 43,895.00 | 36,655 |
| Legal and professional fees | 9,57,927.00 | 6,25,807 |
| Loss on fixed assets sold / scrapped / written off | 5,43,873.00 | - |
| Payments to Auditors | 16,854.00 | 16,545 |
| Repairs & Maintenance | 1,49,059.00 | 1,80,986 |
| Security charges | 6,65,108.00 | 6,00,789 |
| Vehicle Expenses | 44,769.00 | 17,507 |
| Miscellaneous expenses | 2,71,560.49 | 96,645 |
| Total | 56,30,293 | 19,35,931 |



18. NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2013.

1. Since the plant was not in operation during the year:

- i. No depreciation has been provided on Fixed Assets. (Previous year - NIL).
- ii. No Provision for Income Tax has been made for the Current Financial Year due to carried forward of losses and accumulated Depreciation and as per the provisions of Section 115JB (Minimum Alternate Tax) of Income Tax Act, 1961 as applicable to Profit of Sick Industrial Company.

iii. DEFERRED TAX LIABILITY:

In accordance with Accounting Standard 22 "Accounting for taxes on Income" (AS 22) issued by the Institute of Chartered Accountants of India, deferred tax assets and liability should be recognized for all timing differences in accordance with said standards. However, considering the present financial position and requirement of the Accounting Standard regarding certainty/virtual certainty, the same is not provided for as an asset (net). However, the same will be reassessed at a subsequent Balance Sheet date and will be accounted for in the year of certainty/virtual certainty in accordance with the aforesaid Accounting Standard.

- iv. During the year the company has sold fixed Assets worth Rs. 1,21,84,400/- and has incurred a Loss on Sale of Fixed of Rs. 5,43,873/-

2. Contingent Liabilities not provided for :

- i. Bills discounted with Banks Rs.2,11,283/- (Previous year Rs.2,11,283/-)
- ii. Excise Modvat set off Rs.6,62,799/- (Previous year Rs.6,62,799/-) claimed, by the company but disallowed by Excise Authorities, the same is disputed in Appeal.

3. Debenture Redemption Reserve was created in the year 1995-96 in respect of years ended 31st March, 1993 and 31st March, 1994 amounting to Rs.33,33,400/-. However, due to absence of profits, the company has not set apart any further amount to Debenture Redemption Reserve for the Financial years ended 31st March 1995 to 31st March 2003 amounting to Rs.1,50,00,300/- in the aggregate.

4. Land includes Rs. 37,39,668/- (Previous year Rs. 37,61,143/-) as leasehold land.

5. In the opinion of The Board of Directors of the Company, all items of Current Assets, Current Liabilities and Loan and Advances continues to have a realizable value of at least the amounts at which they are stated in the balance sheets.

Current Assets, Current Liabilities and Loans & Advances are subject to confirmation / reconciliation and consequential adjustments, if any.

6. There are no Micro, Small and Medium enterprises to which the Company owes dues, which are outstanding as at the Balance sheet date. The above information has been determined to the extent such parties have been identified on the basis of information available with the company, which has been relied upon by the auditors.

7. The Foreign Exchange Outflow during the year amounts to Rs. NIL (Previous Year: Rs. NIL)

8. Auditor's Remuneration includes:

| | Current Year | Previous Year |
|----------------------|--------------|---------------|
| Statutory Audit fees | ₹ 15,000/- | ₹ 15,000/- |

9. EARNING PER SHARE

| Particulars | | As on 31.03.2013 | As on 31.03.2012 |
|--|------|------------------|------------------|
| Net (Loss) / Profit as per Profit & Loss Account available for Equity Shareholders | ₹ | (1,02,00,317) | (60,97,540) |
| Equity shares | Nos | 58,14,138 | 58,14,138 |
| Weighted average number of equity shares outstanding during the year | Nos. | 58,14,138 | 58,14,138 |
| Earnings Per Share of ₹ 10 each (basic and diluted) | ₹ | (18.00) | (10.00) |

10. SEGMENT REPORTING :

The Company is not having any sales during the year . Therefore, the question of segment reporting does not arise as defined by Accounting Standard – 17 – “Segmental Reporting” issued by ICAI.

BOOK POST

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