



**BOARD OF DIRECTORS**

Shri Parmeshwar G. Mittal	:	<b>MANAGING DIRECTOR</b>
Shri Shankarlal G. Mittal	:	<b>EXECUTIVE DIRECTOR</b>
Shri Badal Mittal	:	<b>EXECUTIVE DIRECTOR</b>

---

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

**AUDITORS**

Sunil Adavade & Co.,  
Chartered Accountants  
108/109 Sai Deep Commercial Premises Co-Soc. Ltd.  
1st Floor, 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-FIFTH ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Fifth 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 25<sup>th</sup> September, 2010 at 10.30 a.m. to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2010 and the 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 ON POLL TO VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy duly completed, stamped and signed, should be deposited at the Registered Office of the Company at MIDC, Paithan, District Aurangabad - 431 148, not later than 48 hours before the commencement of the meeting.
3. The Register of members and the Share Transfer Books of the Company will remain closed from Saturday the 18<sup>th</sup> September, 2010 to Saturday the 25<sup>th</sup> September, 2010 (both days inclusive).

By Order of the Board

- sd -

Place : Mumbai  
Date : 30<sup>th</sup> August, 2010

**BADAL MITTAL**  
EXECUTIVE DIRECTOR

**DIRECTORS' REPORT**

Dear Shareholders,

Your Directors hereby present their Thirty Fifth Annual Report together with the Audited Statement of Accounts for the year ended March 31<sup>st</sup>, 2010.

	Year ended 31.03.2010 (Rs. in lacs)	Year ended 31.03.2009 (Rs. in lacs)
<b>FINANCIAL RESULTS :</b>		
Loss before Providing for Interest	<b>79.32</b>	70.02
Less : Provision for Interest	<b>32.42</b>	27.23
Net Loss for the year	<b>46.90</b>	42.79
Add : Provision for Fringe Benefit Tax	<b>0</b>	0.18
Total Loss for the year	<b>46.90</b>	42.97
Add : Loss brought forward from previous year	<b>664.23</b>	621.26
	<b>711.13</b>	664.23

**OPERATIONS**

The Company was declared as a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) by the Board for Industrial & Financial Reconstruction (BIFR), ICICI being the Operating Agency. The Company under One Time Settlement with the lenders repaid all payments due to the Financial Institutions and Banks.

**DIVIDEND**

Your Directors are unable to recommend any dividend for the year ended 31.03.2010 because of the 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 2010-2011. 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 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 2010-2011, 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

**Parmeshwar G. Mittal**  
Managing Director

**Badal Mittal**  
Executive Director

**Regd. Off. : M.I.D.C Paithan,**  
Dist. Aurangabad : 431 148.  
Maharashtra  
Date : 30<sup>th</sup> August, 2010

**AUDITORS' REPORT**

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

We have audited the attached Balance Sheet of M/s Aurangabad Paper Mills Ltd., Mumbai as at 31<sup>st</sup> March, 2010 and also the Profit and Loss Account and the Cash Flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to above 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 accounts as required by law have been kept by the Company so far as appears from our examination of such books.
  - c) The Balance Sheet, Profit & Loss Account and Cash Flow statement referred to in this report are in agreement with the books of accounts.
  - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this Report have been prepared in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
  - e) On the basis of the written representations from the Directors as on 31.3.2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.3.2010 from being appointed as Directors in terms of clause (g) of Sub-Section (I) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in a manner so required and subject to the notes thereon give a true and fair view :-
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2010.
    - ii) In case of Profit & Loss Account, of the **Loss** for the year ended on that date.
    - iii) In the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

**FOR SUNIL ADAVADE & CO.**  
CHARTERED ACCOUNTANTS

Place : MUMBAI  
Date : 30<sup>th</sup> August, 2010

**(SUNIL ADAVADE)**  
PROPRIETOR  
MEMBERSHIP NO. 109964



**ANNEXURE TO THE AUDITORS' REPORT 31<sup>ST</sup> MARCH, 2010  
REFERRED TO IN THE PARAGRAPH OF OUR REPORT OF EVEN DATE**

**Fixed Assets :**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) We are informed that the Fixed Assets have been physically verified by the Management during the year. There is regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification as compared with the book records.  
(c) The fixed assets disposed off during the year are not substantial and therefore do not affect the going concern status of the Company.
- (b) In our opinion and according to the information explanation given to us, terms and conditions are not prima-facie prejudicial to the interest of the company.  
(c) The loan is interest free and is repayable on demand. Therefore, no interest has been provided on the said loans.  
(d) As the loans taken by the company are repayable on demand the question of overdue amounts does not arise.

**Inventories :**

2. (a) The Inventories have been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees 5 lacs in respect of any party during the year have been made at prices at the relevant time.

**Internal Controls :**

**Related Party Transactions :**

3. (a) The Company has not granted any loans Secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. The Company has taken loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
5. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipments and other assets and to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
6. In our opinion, the Company has an internal audit system commensurate with the size and nature of business.

**Deposits :**

7. The Company has not accepted any deposits from the public attracting the provisions of Section 58A and 58B of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

**Taxation :**

8. In our opinion and according to the information and explanations give to us, the provisions of clause (ix) (a) and (b) are not applicable to the Company.

**Miscellaneous :**

9. We are informed that the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956, for the product manufactured by the Company.

10. The Company has accumulated losses as at the end of the year. The Company has not incurred cash losses during the financial year covered by our audit. However, the Company had incurred cash losses in the immediately preceding financial year.

11. In our opinion and according to the information and explanations give to us, the Company has not defaulted in repayment of dues to Banks.

12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loans taken by others from Banks or Financial Institutions.

16. In our opinion, the term loans have been applied for the purpose for which they were raised, other than temporary deployment pending application.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that the no funds raised on short-term basis have been used for long-term investment.

18. The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956 and hence the issue price of shares affecting interest of the Company does not arise.

19. The Company has not issued debentures and therefore the question of creation of security in respect of debentures does not arise.

20. The Company has not raised monies by public issues during the year and therefore the question of disclosure and verification of end use of such monies does not arise.

21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

**FOR SUNIL ADAVADE & CO.**  
CHARTERED ACCOUNTANTS

PLACE : MUMBAI

Date : 30<sup>th</sup> August, 2010

**(SUNIL ADAVADE)**

PROPRIETOR

MEMBERSHIP NO. 109964

**AURANGABAD PAPER MILLS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2010**

	Schedule	As At 31 <sup>st</sup> March, 2010 Rupees	As At 31 <sup>st</sup> March, 2009 Rupees
<b>I. SOURCES OF FUNDS :</b>			
<b>1. SHAREHOLDERS FUNDS :</b>			
Share Capital	1	5,81,41,380	5,81,41,380
Cummulative Convertible Redeemable Preference Shares		<u>30,66,000</u>	<u>30,66,000</u>
		<b>6,12,07,380</b>	<b>6,12,07,380</b>
<b>2. LOAN FUNDS :</b>			
a. Secured Loans	2	0	0
b. Unsecured Loans	3	<u>25,50,29,272</u>	<u>25,11,86,406</u>
		<b>25,50,29,272</b>	<b>25,11,86,406</b>
<b>Total</b>		<b><u>31,62,36,652</u></b>	<b><u>31,23,93,786</u></b>
<b>II. APPLICATION OF FUNDS :</b>			
<b>1. FIXED ASSETS :</b>			
a. Gross Block	4	42,01,37,230	42,01,58,975
b. Less : Depreciation		<u>17,11,72,480</u>	<u>17,11,72,480</u>
		<b>24,89,64,750</b>	<b>24,89,86,495</b>
<b>2. INVESTMENTS :</b>	5	<b>15,500</b>	<b>15,500</b>
<b>3. CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
a. Inventories		72,91,922	72,91,924
b. Sundry Debtors		0	0
c. Cash & Bank Balances		3,64,049	17,46,023
d. Loans and Advances		<u>1,53,56,571</u>	<u>1,48,31,148</u>
		<b>2,30,12,542</b>	<b>2,38,69,095</b>
<b>4. Less : CURRENT LIABILITIES &amp; PROVISION :</b>	7	<u>2,77,74,692</u>	<u>2,78,05,939</u>
<b>NET CURRENT ASSETS</b>		<b>(47,62,150)</b>	<b>(39,36,844)</b>
<b>MISCELLANEOUS EXPENDITURES :</b> (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	8	<b>9,04,829</b>	<b>9,04,829</b>
PROFIT & LOSS A/C.		<u>7,11,13,724</u>	<u>6,64,23,806</u>
<b>Total</b>		<b><u>31,62,36,652</u></b>	<b><u>31,23,93,786</u></b>
Notes on Accounts	15		
Schedules referred to herein form an integral part of the Balance Sheet			

AS PER OUR REPORT ATTACHED

**FOR SUNIL ADAVADE & CO.**

Chartered Accountant

**SUNIL ADAVADE, F.C.A.**

Proprietor

MEMBERSHIP NO. 109964

PLACE : MUMBAI

Date : 30<sup>th</sup> August, 2010**PARMESHWAR G. MITTAL**

Managing Director

**BADAL MITTAL**

Executive Director

PLACE : MUMBAI

Date : 30<sup>th</sup> August, 2010



**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

	Schedule	2010 Rupees	2009 Rupees
<b>INCOME :</b>			
Other Income	9	75,479	43,346
Stock of Finished Goods		0	0
<b>Total</b>		<b>75,479</b>	<b>43,346</b>
<b>EXPENDITURE :</b>			
Opening Stock of Finished Goods		0	0
Raw Materials, Manufacturing & Other Expenses	10	21,745	59,079
Personnel Expenses	11	50,059	81,151
Administrative & Selling Expenses	12	14,49,733	14,57,574
Interest & Bank Charges	13	32,43,860	27,24,813
<b>Total</b>		<b>47,65,397</b>	<b>43,22,617</b>
Profit / (Loss) for the year		<b>(46,89,918)</b>	(42,79,271)
Add / (Less) : Fringe Benefit Tax		0	18,050
		<b>(46,89,918)</b>	<b>(42,97,321)</b>
Add : Loss brought forward from previous year	14	<b>6,64,23,806</b>	6,21,26,485
<b>Total</b>		<b>7,11,13,724</b>	<b>6,64,23,806</b>
Note on Accounts Schedules referred to herein form an integral part of the Profit & Loss Account	15		

AS PER OUR REPORT ATTACHED

**FOR SUNIL ADAVADE & CO.**  
Chartered Accountant

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

PLACE : MUMBAI  
Date : 30<sup>th</sup> August, 2010

**PARMESHWAR G. MITTAL**  
Managing Director

**BADAL MITTAL**  
Executive Director

PLACE : MUMBAI  
Date : 30<sup>th</sup> August, 2010

**AURANGABAD PAPER MILLS LIMITED****SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2010**

<b>SCHEDULE - 1</b>	<b>As At 31<sup>st</sup> March, 2010 Rupees</b>	<b>As At 31<sup>st</sup> March, 2009 Rupees</b>
<b>SHARE CAPITAL :</b>		
AUTHORISED :		
58,25,000 Equity Shares of Rs.10/-each	<b>5,82,50,000</b>	5,82,50,000
217500 Preference Shares of Rs.100/- each	<b>2,17,50,000</b>	2,17,50,000
<b>Total :</b>	<b>8,00,00,000</b>	8,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
58,14,138 Equity Shares of Rs.10/-each fully paid up in cash	<b>5,81,41,380</b>	5,81,41,380
30660 Cumulative Convertible Redeemable Preference Shares of Rs. 100/- each fully paid up	<b>30,66,000</b>	30,66,000
<b>Total :</b>	<b>6,12,07,380</b>	6,12,07,380
<b>SCHEDULE - 2</b>		
<b>SECURED LOANS :</b>		
	<b>0</b>	0
<b>Total :</b>	<b>0</b>	0
<b>SCHEDULE - 3</b>		
<b>UNSECURED LOANS :</b>		
A. Sales Tax Loan from SICOM Ltd., ( Interest Free )	<b>5,21,90,878</b>	5,21,90,878
B. From Others	<b>18,14,85,122</b>	18,08,85,122
C. From Bank (Guaranteed by Directors)	<b>2,13,53,272</b>	1,81,10,406
<b>Total :</b>	<b>25,50,29,272</b>	25,11,86,406
<b>SCHEDULE - 5</b>		
<b>INVESTMENTS : (AT COST)</b>		
Other than trade, (unquoted) :		
i) The National Co-op. Bank Ltd. (1250 Equity Shares of Rs.10/-each fully paid)	<b>12,500</b>	12,500
ii) Bombay Mercantine Co-op. Bank Ltd. (100 Equity shares of Rs.30/-each fully paid)	<b>3,000</b>	3,000
<b>Total :</b>	<b>15,500</b>	15,500



**AURANGABAD PAPER MILLS LIMITED**

**SCHEDULE - "4"**

**FIXED ASSETS**

DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS AT 31.03.2009	ADDITIONS DEDUC- TIONS 31.03.2010	AS AT 31.03.2009	FOR THE YEAR DEDUC- TIONS 31.03.2010	AS AT 31.03.2010	AS AT 31.03.2009
Land	4083621	---	---	---	4061876	4083621
Buildings	86924381	---	20837259	---	66087122	66087122
Plant & Machinery	322583623	---	145794265	---	176789358	176789358
Furniture & Fixtures	5354032	---	3618627	---	1735405	1735405
Fire Fighting Equipments	1129542	---	922329	---	207213	207213
Computers	83776	---	---	---	83776	83776
TOTAL	420158975	---	171172480	---	248964750	24896495
PREVIOUS YEAR	420129461	51259	171172480	---	24896495	248956981

**AURANGABAD PAPER MILLS LIMITED****SCHEDULE - 6**

	As At 31 <sup>st</sup> March, 2010 Rupees	As At 31 <sup>st</sup> March, 2009 Rupees
<b>CURRENT ASSETS, LOANS AND ADVANCES :</b>		
<b>A. CURRENT ASSETS :</b>		
<b>1. INVENTORIES :</b>		
i) Stores & Spares (At cost)	72,91,922	72,91,924
<b>Total :</b>	<u>72,91,922</u>	<u>72,91,924</u>
<b>2. SUNDRY DEBTORS :</b>		
Unsecured Considered Doubtful exceeding 6 months	0	0
<b>Total :</b>	<u>0</u>	<u>0</u>
<b>3. CASH &amp; BANK BALANCES :</b>		
i) Cash in hand	60,167	6,45,256
ii) Balances with Scheduled Banks :		
a) In Current Accounts	92,882	1,47,621
b) In Deposit Account	2,11,000	9,53,146
	<u>3,03,882</u>	<u>11,00,767</u>
<b>Total :</b>	<u>3,64,049</u>	<u>17,46,023</u>
<b>B. LOANS &amp; ADVANCES : (Unsecured-considered good)</b>		
i) Deposits (inclusive of Rs.43,26,872/- with Govt. & Semi Govt. Departments ( Prev. year Rs.43,26,872/-)	44,24,072	44,24,072
ii) Advances Recoverable in cash or kind or for value to be received	1,08,94,050	1,03,56,632
iii) Advance Fringe Benefit Tax	0	11,995
iii) Income Tax refund Receivables	38,449	38,449
<b>Total :</b>	<u>1,53,56,571</u>	<u>1,48,31,148</u>

**SCHEDULE - 7****CURRENT LIABILITIES AND PROVISIONS :****A) CURRENT LIABILITIES :**

i) Sundry Creditors	1,03,00,367	1,03,11,700
ii) Deposits from Dealers and Others	44,30,820	44,30,820
iii) Other Liabilities	1,30,43,505	1,30,45,368

**B) PROVISIONS :**

i) Fringe Benefit Tax	0	18,050
<b>Total :</b>	<u>2,77,74,692</u>	<u>2,78,05,939</u>

**SCHEDULE - 8****MISCELLANEOUS EXPENDITURE : (to the extent not written off)**

i) Share Issue Expenses	7,42,829	7,42,829
ii) Non-Convertible Debenture Issue Expenses	1,62,000	1,62,000
<b>Total :</b>	<u>9,04,829</u>	<u>9,04,829</u>

**35<sup>th</sup> Annual Report 2009 - 2010**

<b>SCHEDULE - 9</b>	<b>As At 31<sup>st</sup> March, 2010 Rupees</b>	<b>As At 31<sup>st</sup> March, 2009 Rupees</b>
<b>OTHER INCOME :</b>		
i) Miscellaneous Income	75,479	43,346
<b>Total :</b>	75,479	43,346
<b>SCHEDULE - 10</b>		
<b>RAW MATERIALS, MANUFACTURING &amp; OTHER EXPENSES :</b>		
Repairs & Maintenance	0	37,334
Lease Premium on Land written off	21,745	21,745
<b>Total :</b>	21,745	59,079
<b>SCHEDULE - 11</b>		
<b>PERSONNEL EXPENSES :</b>		
Salaries, Wages, Bonus & Labour Charges	0	45,813
Workmen & Staff Welfare Expenses	50,059	35,338
<b>Total :</b>	50,059	81,151
<b>SCHEDULE - 12</b>		
<b>ADMINISTRATIVE &amp; SELLING EXPENSES :</b>		
Rent & Taxes	5,260	6,380
Travelling & Conveyance	2,79,423	1,30,923
Postage, Telegrams, Telephone etc.	58,566	74,994
Printing & Stationery	34,944	32,237
Legal & Professional Charges	6,05,738	4,59,762
Miscellaneous Expenses	1,54,241	3,30,132
Security Charges	2,80,993	3,73,209
Auditors' Remuneration : Audit Fees	16,854	16,854
Vehicle Expenses	12,806	33,083
Municipal Tax	909	0
<b>Total :</b>	14,49,733	14,57,574
<b>SCHEDULE - 13</b>		
<b>INTEREST &amp; BANK CHARGES</b>		
a. INTEREST : To Banks	32,42,590	27,23,498
	32,42,590	27,23,498
b. Bank Charges	1,270	1,315
<b>Total :</b>	32,43,860	27,24,813
<b>SCHEDULE - 14</b>		
<b>PROFIT AND LOSS A/C</b>		
Opening Balance	(6,64,23,806)	(6,21,26,485)
	(6,64,23,806)	(6,21,26,485)



**SCHEDULE - 15 NOTES ON ACCOUNTS**

1. Since the plant was not in operation and in the absence of any income during the year :

- i. No depreciation has been provided on Fixed Assets. (Previous year - Nil).
- ii. No Provision has been made for Income Tax.
- iii. Advances to the tune of Rs. NIL (Previous Year Rs. NIL)
- iv. **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.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

**I. Basis Of Accounting :**

- (a) The Company follows the Mercantile System of accounting and recognizes income and expenditure on accrual basis.
- (b) Financial statements are based on historical cost. The costs are not adjusted to reflect the impact of the changing value in the purchasing power of money.

**II. Fixed Assets :**

Fixed Assets are stated at cost less depreciation / amortization. The Depreciation shown in Fixed Assets Schedule has been provided upto Financial Year ending on 31<sup>st</sup> March, 2000. In subsequent Financial Year 1<sup>st</sup> April, 2000 till 31<sup>st</sup> March, 2010 no depreciation has been provided.

**III. Depreciation :**

- (a) Premium on Leasehold land is amortised 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.

**IV. Inventories :**

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

**V. Gratuity :**

Annual contribution towards the gratuity liability is funded with Life Insurance Corporation of India in accordance with Gratuity Scheme.

**VI. Leased Assets :**

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

**VII. 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 capitalised till the completion of the project.

**VIII.** Sales, Raw materials consumed, Actual production, value of Imports, Expenditures on Foreign currency, value of Raw materials, Spares and other consumables and Managerial Remuneration are nil.

3. Opening Stock of Finished Goods :	<u>2009-2010</u>		<u>2008-2009</u>	
	Qty. M.T.	Value in Rupees	Qty. M.T.	Value in Rupees
Stock Items				
Kraft Paper	Nil	Nil	Nil	Nil
News Print Paper	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>
4. Closing Stock of Finished Goods :				
Kraft Paper	Nil	Nil	Nil	Nil
News Print Paper	Nil	Nil	Nil	Nil
<b>TOTAL</b>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

5. Quantitative Information :	<u>2009-2010</u>	<u>2008-2009</u>
	Quantity M.T.	Quantity M.T.
i) LICENCED CAPACITY		
Kraft Paper	16,500	16,500
News Print Paper	20,000	20,000
ii) INSTALLED CAPACITY		
Kraft Paper	15,840	15,840
News Print Paper	20,000	20,000
iii) ACTUAL PRODUCTION		
Kraft Paper	Nil	Nil
News Print Paper	Nil	Nil

**6. Contingent Liabilities not provided for :**

- i) Bills discounted with Banks Rs.2,11,283/- (previous year Rs.2,11,283/-)
- ii) Bank Guarantees outstanding Rs.2,11,000/- (previous year Rs.2,11,000/-)
- iii) 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.
7. 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.
8. Land includes Rs. 38,04,903/- (previous year Rs. 38,26,648/-) as leasehold land.
9. The figures for the previous year have been rearranged and regrouped wherever necessary.
10. Additional information as required under Part IV of the Companies Act, 1956.

**AURANGABAD PAPER MILLS LIMITED****BALANCE SHEET ABSTRACT AND GENERAL BUSINESS PROFILE :****I. REGISTRATION DETAILS**

Registration No. :	17962	State Code	11
Balance Sheet date :	31.03.2010		

**II. CAPITAL RAISED DURING THE YEAR**

Public Issue :	Nil	Right Issue :	Nil
Bonus Issue :	Nil	Private Placement :	Nil

**III. POSITION OF MOBILISATION AND DEVELOPMENT OF FUNDS (Amounts in Thousands)**

<b>TOTAL LIABILITIES :</b>	<b>3,16,237</b>	<b>TOTAL ASSETS :</b>	<b>3,16,237</b>
<b>Sources Of Funds :</b>		<b>Application Of Funds :</b>	
Paid up Capital	61,207	Net Fixed Assets	2,48,965
Reserves & Surplus	Nil	Investments	16
Secured Loans	Nil	Net Current Assets	-4,762
Unsecured Loans	2,55,030	Misc. Expenditure	905
		Profit & Loss A/c.	71,114

**IV. PERFORMANCE OF THE COMPANY**

Turnover (including other income)	75	Total expenditure	4,765
Loss before tax	4,690		
Earning per share	Nil	Dividend Rates %	Nil

**V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF COMPANY  
(AS PER MONETARY TERMS)**

Item code No. (ITC Code)	48041100	Product Description	KRAFT PAPER
Item code No.	48019000	Product Description	NEWS PRINT

**SCHEDULE 1 TO 10**

AS PER OUR REPORT ATTACHED

**FOR SUNIL ADAVADE & CO.**  
Chartered Accountant**SUNIL ADAVADE, F.C.A.**  
Proprietor  
Membership No. 109964PLACE : MUMBAI  
Date : 30<sup>th</sup> August, 2010**PARMESHWAR G. MITTAL**  
Managing Director**BADAL MITTAL**  
Executive DirectorPLACE : MUMBAI  
Date : 30<sup>th</sup> August, 2010



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010**

	<b>(Rs. In Lacs)</b> <b>2009-2010</b>	<b>(Rs. In Lacs)</b> <b>2008-2009</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit before tax and extraordinary items	<b>(46.90)</b>	(42.79)
<b>Adjustment for :</b>		
Profit on sale of asset	<b>0.00</b>	0.00
Dividend Income / Interest Income	<b>0.00</b>	0.00
Interest & Finance Charges	<b>32.44</b>	27.25
Amounts written Off	<b>0.00</b>	0.00
Lease premium paid	<b>0.22</b>	0.22
	<b>(14.24)</b>	(15.32)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :</b>		
<b>Adjustment for :</b>		
Trade and other receivable	<b>5.25</b>	(7.40)
Inventories	<b>0.00</b>	0.00
Trade and other payable	<b>(0.31)</b>	(7.38)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(9.30)</b>	(30.10)
Fringe Benefit tax paid	<b>0.00</b>	(0.12)
Interest & Finance charges	<b>(32.44)</b>	(27.25)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(41.74)</b>	(57.47)
<b>TOTAL (A)</b>	<b>(41.74)</b>	(57.47)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
(Purchase) of fixed assets	<b>0.00</b>	(0.51)
Sale of fixed assets	<b>0.00</b>	0.00
Dividend received	<b>0.00</b>	0.00
<b>Net Cash from Investing activities</b>	<b>(0.00)</b>	(0.51)
<b>TOTAL (B)</b>	<b>(0.00)</b>	(0.51)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Repayment of loans	<b>0.00</b>	0.00
Proceeds from borrowings	<b>38.62</b>	64.74
<b>Net Cash from Financing activities</b>	<b>38.62</b>	64.74
<b>TOTAL (C)</b>	<b>38.62</b>	64.74
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(3.12)</b>	6.76
CASH AND CASH EQUIVALENTS as at 01.04.2009 (Opening balance)	<b>6.76</b>	10.70
CASH AND CASH EQUIVALENTS as at 31.03.2010 (Closing balance)	<b>3.64</b>	17.46
<b>NET INCREASE (DECREASE) AS DISCLOSED ABOVE</b>	<b>(3.12)</b>	6.76

Note : All figures in brackets are outflows

PLACE : MUMBAI  
Date : 30<sup>th</sup> August, 2010**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, 2010 and found the same to be drawn in accordance therewith and also with the requirements of the listing agreement with Stock Exchange.

PLACE : MUMBAI  
Date : 30<sup>th</sup> August, 2010**FOR SUNIL ADAVADE & CO.**  
Chartered Accountant**SUNIL ADAVADE, F.C.A.**  
Proprietor  
Membership No. 109964