
**36TH
ANNUAL REPORT
2010 - 2011**



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 Sixth Annual General Meeting of the Company being held on Saturday, 24th September, 2011 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, 26th September, 2011 and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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 Sixth 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 24th September, 2011 at 10.30 a.m. to transact the following business :-

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2011 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 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 registered 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 17th September, 2011 to Saturday the 24th September, 2011 (both days inclusive).

By Order of the Board

- sd -

Place : Mumbai
Date : 23rd August, 2011

BADAL MITTAL
EXECUTIVE DIRECTOR

DIRECTORS' REPORT

Dear Shareholders,

Your Directors hereby present their Thirty Sixth Annual Report together with the Audited Statement of Accounts for the year ended March 31st, 2011.

	Year ended 31.03.2011 (Rs. in lacs)	Year ended 31.03.2010 (Rs. in lacs)
FINANCIAL RESULTS :		
Profit/Loss before Providing for Interest	265.09	(79.32)
Less : Provision for Interest	28.88	(32.42)
Net Profit/Loss for the year	236.21	(46.90)
Add : Loss brought forward from previous year	711.14	664.23
Loss carried to the Balance Sheet	474.93	711.13

OPERATIONS

The Company was a Sick Industrial Company within the meaning of Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) till last financial year when the net worth of the Company was negative. During the year under review the Company turned around with a positive net worth.

DIVIDEND

Your Directors are unable to recommend any dividend for the year ended 31.03.2011 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 2011-2012. 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 2011-2012, 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 : 23rd August, 2011

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. as at 31st March, 2011 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 31.3.2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31.3.2011 from being appointed as Directors in terms of clause (g) of Sub-Section (l) 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 31st March, 2011.
 - ii) In case of Profit & Loss Account, of the **Profit** 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

- Sd -

(SUNIL ADAVADE)

PROPRIETOR

MEMBERSHIP NO. 109964

Place : MUMBAI
Date : 23rd August, 2011



**ANNEXURE TO THE AUDITORS' REPORT 31ST MARCH, 2011 REFERRED TO IN THE PARAGRAPH 1
OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS AS AT 31ST MARCH, 2011**

In Respect of its Fixed Assets :

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
(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) In our opinion and according to the information and explanations given to us, the Company has not disposed off a substantial part of fixed assets during the year.
2. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets on the basis of available information.
(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.
4. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contacts 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.

In Respect Of Inventories :

2. (a) The Inventory has 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 inventories 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. According to information and explanations given to us, no material discrepancies were noticed on physical verification of inventory.

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
(b) 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 fixed assets. During the course of our audit, no major weakness has been noticed in the internal controls.
6. In our opinion, the Company has an internal audit system commensurate with the size and nature of business.

Internal Controls :

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 fixed assets. During the course of our audit, no major weakness has been noticed in the 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 (a) and (b) are not applicable to the Company.

Miscellaneous :

9. The clause relating to maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956, is not applicable to the Company for the year under reference.

10. In our opinion, the Company has accumulated losses at the end of the Financial year and the company has not incurred cash losses during the current financial year covered by our audit. However the Company had incurred cash losses in the immediately preceding Financial year.

11. According to information & explanations give to us, the Company has not defaulted in repayment of dues to Banks, Financial Institutions or Debenture holders during the financial year covered by our audit.

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 or trading in shares, debentures, securities and other investment. Therefore, 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, 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 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 therefore the question of the price at which shares have been issued is prejudicial to the 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

- Sd -

PLACE : MUMBAI

(SUNIL ADAVADE)

Date : 23rd August, 2011

PROPRIETOR

MEMBERSHIP NO. 109964

**AURANGABAD PAPER MILLS LIMITED****BALANCE SHEET AS AT 31ST MARCH, 2011**

	Schedule	As At 31 st March, 2011 Rupees	As At 31 st March, 2010 Rupees
I. SOURCES OF FUNDS :			
1. SHAREHOLDERS FUNDS :			
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>
		6,12,07,380	6,12,07,380
2. LOAN FUNDS :			
a. Secured Loans	2	0	0
b. Unsecured Loans	3	<u>26,03,66,098</u>	<u>25,50,29,272</u>
		26,03,66,098	25,50,29,272
Total		<u>32,15,73,478</u>	<u>31,62,36,652</u>
II. APPLICATION OF FUNDS :			
1. FIXED ASSETS :			
a. Gross Block	4	42,01,15,485	42,01,37,230
b. Less : Depreciation		<u>17,11,72,480</u>	<u>17,11,72,480</u>
		24,89,43,005	24,89,64,750
2. INVESTMENTS :	5	15,500	15,500
3. CURRENT ASSETS, LOANS & ADVANCES :			
a. Inventories		1,45,83,844	72,91,922
b. Sundry Debtors		0	0
c. Cash & Bank Balances		4,71,749	3,64,049
d. Loans and Advances		<u>1,60,54,143</u>	<u>1,53,56,571</u>
		3,11,09,736	2,30,12,542
4. Less : CURRENT LIABILITIES & PROVISION :	7	<u>68,92,528</u>	<u>2,77,74,692</u>
NET CURRENT ASSETS		2,42,17,208	(47,62,150)
MISCELLANEOUS EXPENDITURES : (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)	8	9,04,829	9,04,829
PROFIT & LOSS A/C.		<u>4,74,92,936</u>	<u>7,11,13,724</u>
Total		<u>32,15,73,478</u>	<u>31,62,36,652</u>
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 : 23rd August, 2011**PARMESHWAR G. MITTAL**

Managing Director

BADAL MITTAL

Executive Director

PLACE : MUMBAI

Date : 23rd August, 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedule	2011 Rupees	2010 Rupees
INCOME :			
Other Income	9	2,79,46,983	75,479
Stock of Finished Goods		0	0
Total		2,79,46,983	75,479
EXPENDITURE :			
Opening Stock of Finished Goods		0	0
Raw Materials, Manufacturing & Other Expenses	10	21,745	21,745
Personnel Expenses	11	57,088	50,059
Administrative & Selling Expenses	12	13,59,234	14,49,733
Interest & Bank Charges	13	28,88,129	32,43,860
Total		43,26,196	47,65,397
Profit / (Loss) for the year		2,36,20,787	(46,89,918)
Add / (Less) : Fringe Benefit Tax		0	0
		2,36,20,787	(46,89,918)
Add : Loss brought forward from previous year	14	7,11,13,724	6,64,23,806
Total		4,74,92,936	7,11,13,724
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. 109964PLACE : MUMBAI
Date : 23rd August, 2011**PARMESHWAR G. MITTAL**
Managing Director**BADAL MITTAL**
Executive DirectorPLACE : MUMBAI
Date : 23rd August, 2011

**AURANGABAD PAPER MILLS LIMITED****SCHEDULES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011**

SCHEDULE - 1	As At 31st March, 2011 Rupees	As At 31st March, 2010 Rupees
SHARE CAPITAL :		
AUTHORISED :		
58,25,000 Equity Shares of Rs.10/-each	5,82,50,000	5,82,50,000
217500 Preference Shares of Rs.100/- each	2,17,50,000	2,17,50,000
Total :	8,00,00,000	8,00,00,000
ISSUED, SUBSCRIBED AND PAID UP :		
58,14,138 Equity Shares of Rs.10/-each fully paid up in cash	5,81,41,380	5,81,41,380
30660 Cumulative Convertible Redeemable Preference Shares of Rs. 100/- each fully paid up	30,66,000	30,66,000
Total :	6,12,07,380	6,12,07,380
SCHEDULE - 2		
SECURED LOANS :	0	0
Total :	0	0
SCHEDULE - 3		
UNSECURED LOANS :		
A. Sales Tax Loan from SICOM Ltd., (Interest Free)	5,21,90,878	5,21,90,878
B. From Others	18,39,35,122	18,14,85,122
C. From Bank (Guaranteed by Directors)	2,42,40,098	2,13,53,272
Total :	26,03,66,098	25,50,29,272
SCHEDULE - 5		
INVESTMENTS : (AT COST)		
Other than trade, (unquoted) :		
i) The National Co-op. Bank Ltd. (1250 Equity Shares of Rs.10/-each fully paid)	12,500	12,500
ii) Bombay Mercantine Co-op. Bank Ltd. (100 Equity shares of Rs.30/-each fully paid)	3,000	3,000
Total :	15,500	15,500



AURANGABAD PAPER MILLS LIMITED

SCHEDULE - "4"

FIXED ASSETS

DESCRIPTION	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	AS AT 31.03.2010	ADDITIONS DEDUC- TIONS 31.03.2011	AS AT 31.03.2010	FOR THE YEAR DEDUC- TIONS 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
Land	4061876	---	---	---	4040131	4061876
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	420137230	---	171172480	---	248943005	248964750
PREVIOUS YEAR	420129461	---	171172480	---	248964750	248956981

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

	As At 31 st March, 2011 Rupees	As At 31 st March, 2010 Rupees
CURRENT ASSETS, LOANS AND ADVANCES :		
A. CURRENT ASSETS :		
1. INVENTORIES :		
i) Stores & Spares (At cost)	1,45,83,844	72,91,922
Total :	<u>1,45,83,844</u>	<u>72,91,922</u>
2. SUNDRY DEBTORS :		
Unsecured Considered Doubtful exceeding 6 months	0	0
Total :	<u>0</u>	<u>0</u>
3. CASH & BANK BALANCES :		
i) Cash in hand	1,37,098	60,167
ii) Balances with Scheduled Banks :		
a) In Current Accounts	1,23,652	92,882
b) In Deposit Account	2,11,000	2,11,000
	<u>3,34,652</u>	<u>3,03,882</u>
Total :	<u>4,71,749</u>	<u>3,64,049</u>
B. LOANS & ADVANCES : (Unsecured-considered good)		
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	1,15,91,622	1,08,94,050
iii) Income Tax refund Receivables	38,449	38,449
Total :	<u>1,60,54,143</u>	<u>1,53,56,571</u>

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

i) Sundry Creditors	6,72,550	1,03,00,367
ii) Deposits from Dealers and Others	0	44,30,820
iii) Other Liabilities	62,19,978	1,30,43,505

B) PROVISIONS :

Total :	<u>68,92,528</u>	<u>2,77,74,692</u>
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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
Total :	<u>9,04,829</u>	<u>9,04,829</u>

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SCHEDULE - 9	As At 31st March, 2011 Rupees	As At 31st March, 2010 Rupees
OTHER INCOME :		
i) Miscellaneous Income	9,900	75,479
ii) Spares & Stores restored	72,91,922	0
iii) Sundry Credit balances written back	2,06,45,161	0
Total :	2,79,46,983	75,479
SCHEDULE - 10		
RAW MATERIALS, MANUFACTURING & OTHER EXPENSES :		
Lease Premium on Land written off	21,745	21,745
Total :	21,745	21,745
SCHEDULE - 11		
PERSONNEL EXPENSES :		
Salaries, Wages, Bonus & Labour Charges	0	0
Workmen & Staff Welfare Expenses	57,088	50,059
Total :	57,088	50,059
SCHEDULE - 12		
ADMINISTRATIVE & SELLING EXPENSES :		
Rent & Taxes	6,970	5,260
Travelling & Conveyance	36,876	2,79,423
Postage, Telegrams, Telephone etc.	54,120	58,566
Printing & Stationery	26,666	34,944
Legal & Professional Charges	5,65,511	6,05,738
Miscellaneous Expenses	1,81,529	1,54,241
Security Charges	3,09,587	2,80,993
Municipal Taxes	0	909
Advertisement & Publication	1,34,726	0
Auditors' Remuneration	16,545	16,854
Vehicle Expenses	26,704	12,806
Total :	13,59,234	14,49,733
SCHEDULE - 13		
INTEREST & BANK CHARGES		
a. INTEREST : To Banks	28,86,970	32,42,590
	28,86,970	32,42,590
b. Bank Charges	1,159	1,270
Total :	28,88,129	32,43,860
SCHEDULE - 14		
PROFIT AND LOSS A/C		
Opening Balance	(7,11,13,724)	(6,64,23,806)
	(7,11,13,724)	(6,64,23,806)



SCHEDULE - 15 NOTES ON ACCOUNTS

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

- i. No depreciation has been provided on Fixed Assets. (Previous year - Nil).
- ii. During the Current Financial Year the Sundry Creditors, Deposits and Other liabilities which are no longer payable have been written back to the tune of Rs. 2,06,45,161/-
- iii. During the Current Financial Year Inventory of Store and Spares has been restored by Rs. 72,91,922/- as per the information and explanations given by the Management of the Company.
- iv. 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.
- v. Till the previous Financial Year the Net Worth of the Company was negative, within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985. However, during the current Financial Year the net worth of the company has become positive.
- vi. **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 31st March, 2000. In subsequent Financial Year 1st April, 2000 till 31st March, 2011 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 :

Stock Items	2010-2011		2009-2010	
	Qty. M.T.	Value in Rupees	Qty. M.T.	Value in Rupees
Kraft Paper	Nil	Nil	Nil	Nil
News Print Paper	Nil	Nil	Nil	Nil
TOTAL	<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
TOTAL	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>	<u>Nil</u>

5. Quantitative Information :

	2010-2011	2009-2010
	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. 37,83,158/- (previous year Rs. 38,04,903/-) 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 :	31.03.2011		

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)

TOTAL LIABILITIES :	3,21,573	TOTAL ASSETS :	3,21,573
Sources Of Funds :		Application Of Funds :	
Paid up Capital	61,207	Net Fixed Assets	2,48,965
Reserves & Surplus	Nil	Investments	16
Secured Loans	Nil	Net Current Assets	24,217
Unsecured Loans	2,60,367	Misc. Expenditure	905
		Profit & Loss A/c.	47,493

IV. PERFORMANCE OF THE COMPANY

Turnover (including other income)	27,947	Total expenditure	4,326
Profit before tax	23,621	Profit before tax	23,621
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 : 23rd August, 2011**PARMESHWAR G. MITTAL**
Managing Director**BADAL MITTAL**
Executive DirectorPLACE : MUMBAI
Date : 23rd August, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

	(Rs. In Lacs) 2010-2011	(Rs. In Lacs) 2009-2010
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) before tax and extraordinary items	236.21	(46.90)
Adjustment for :		
Profit on sale of asset	0.00	0.00
Dividend Income / Interest Income	(0.01)	0.00
Interest & Finance Charges	28.88	32.44
Amounts written Off	0.00	0.00
Lease premium paid	0.22	0.22
	<u>265.30</u>	<u>(14.24)</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :		
Adjustment for :		
Trade and other receivable	(6.98)	5.25
Inventories	(72.92)	0.00
Trade and other payable	(208.30)	(0.31)
CASH GENERATED FROM OPERATIONS	(22.89)	(9.30)
Interest & Finance charges	(28.88)	(32.44)
NET CASH FROM OPERATING ACTIVITIES	(51.78)	(41.74)
TOTAL (A)	<u>(51.78)</u>	<u>(41.74)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES :		
(Purchase) of fixed assets	0.00	0.00
Sale of fixed assets	0.00	0.00
Dividend received	0.01	0.00
Net Cash from Investing activities	0.01	(0.00)
TOTAL (B)	<u>0.01</u>	<u>(0.00)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of loans	0.00	0.00
Proceeds from borrowings	53.37	38.62
Net Cash from Financing activities	53.37	38.62
TOTAL (C)	<u>53.37</u>	<u>38.62</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	1.60	(3.12)
CASH AND CASH EQUIVALENTS as at 01.04.2010 (Opening balance)	(3.12)	6.76
CASH AND CASH EQUIVALENTS as at 31.03.2011 (Closing balance)	4.72	3.64
NET INCREASE (DECREASE) AS DISCLOSED ABOVE	<u>1.60</u>	<u>(3.12)</u>

Note : All figures in brackets are outflows

PLACE : MUMBAI
Date : 23rd August, 2011**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, 2011 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 : 23rd August, 2011**FOR SUNIL ADAVADE & CO.**
Chartered Accountant**SUNIL ADAVADE, F.C.A.**
Proprietor
Membership No. 109964

BOOK POST

If undelivered, please return to :
AURANGABAD PAPER MILLS LIMITED
MIDC, Paithan, Dist. Aurangabad - 431 148. Maharashtra.