

JAGDISHPUR PAPER MILLS LIMITED

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JAGDISHPUR PAPER MILLS LIMITED

BOARD OF DIRECTORS

- CHAIRMAN** : **Shri M V Narasimha Rao**
- DIRECTORS** : **Shri S N Bhattacharyya**
Shri Amitabha Banerjee
Shri S K Singh
Shri A S Upadhyaya
(From 24.06.2011 to 31.05.2012)
Shri R C Singh
(From 29.06.2012)
- CHIEF EXECUTIVE OFFICER** : **Shri A S Upadhyaya**
(Upto 31.05.2012)
Shri R C Singh
(From 29.06.2012)
- INCHARGE-SECRETARIAT** : **Shri L. R. Ekanath**
(Upto 05.04.2012)
Shri K G Vijayakumaran
(From 06.04.2012)
- AUDITORS** : **M/s. Gujrani & Co.**
Chartered Accountants
42A, C R Avenue (3rd Floor)
Kolkata - 700 012
- BANKER(S)** : **IDBI Bank**
Lucknow
- REGISTERED OFFICE** : 214A & 215 Ansal City Centre Tower
China Bazar Road
Lucknow - 226001 (U.P.)

JAGDISHPUR PAPER MILLS LIMITED

JAGDISHPUR PAPER MILLS LIMITED
214A & 215 ANSAL CITY CENTRE TOWER,
CHINA BAZAR ROAD, LUCKNOW - 226001 (U.P.)

NOTICE

NOTICE is hereby given that the 4th Annual General Meeting of the Members of the Company will be held at the Registered Office at 214A & 215 Ansal City Centre Tower, China Bazar Road, Lucknow - 226001, U.P. on Friday, September 28, 2012 at 1400 hours to transact the following business :

ORDINARY BUSINESS

Ordinary Resolution

1. To receive, consider and adopt the Directors' Report and Audited Accounts of the Company for the year ended March 31, 2012 together with the Auditors' Report thereon and comments of the Comptroller & Auditor General of India.

By order of the Board

For Jagdishpur Paper Mills Limited

K. G. Vijayakumaran

Incharge-Secretariat

Registered Office :

214A & 215 Ansal City Centre Tower,
China Bazar Road
Lucknow - 226001 (U.P.)
Dated : September 24, 2012

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the Meeting.
2. As required under Sections 171 and 219 of the Companies Act, 1956 consent of all the members, entitled to attend and vote at this Meeting, for holding the AGM at shorter notice has been obtained.

JAGDISHPUR PAPER MILLS LIMITED

DIRECTORS' REPORT

To
The Members,
Jagdishpur Paper Mills Ltd.

Gentlemen,

Your Directors hereby present their 4th Annual Report together with the audited Statement of Accounts, Auditors' Report and Comments of the Comptroller and Auditor General of India for the financial year ended March 31, 2012.

STATUS

To stay afloat in the present highly competitive paper industry it is essential to increase production volume to achieve economies of scale and also diversify the product portfolio to cater to requirements of various customer segments. Your holding Company, Hindustan Paper Corporation Limited (HPC), operates two integrated paper mills producing printing & writing paper in Assam and a wholly owned subsidiary producing newsprint in Kerala. To meet the increasing demand of paper especially in the premium grade category and attain a pan-India market presence, your holding Company had proposed to set up a high volume, state-of-the-art paper manufacturing facility to cater mainly to the demand of the Northern and Western Regions of the country. The Techno-Economic Feasibility Report (TEFR) and Detailed Project Report (DPR) for the project was prepared by the globally renowned Consultants, M/s Poyry Forest Industry Consulting Oy, Finland.

The DPR submitted in Sept '2005 envisaged setting up of 300,000 tpa integrated paper mill with a single paper machine at Jagdishpur in Sultanpur District in Uttar Pradesh to produce value-added printing & writing paper. The project proposal, however, was approved by the Government of India in November, 2007 conveyed vide DHI letter No 8(126)/2005-PE VII dated 3rdDecember,2007 with the following decisions: -

- i. To form a subsidiary company to implement the project at an estimated cost of ₹2742 crore on constant cost basis;
- ii. To have 51% equity holding by HPC in the Subsidiary which shall raise balance 49% equity from the capital market at an appropriate premium through Initial Public Offer;
- iii. To grant a GoI loan of ₹ 255 crore to HPC at an interest rate of 8% p.a. enabling HPC to subscribe by way of Promoter's 51% contribution to equity in the new subsidiary company; and
- iv. To set up a Special Purpose Vehicle in the form of a Co-operative Society under the Multi-State Co-operative Societies Act for carrying out farm forestry activities for ensuring sustained raw material availability for the proposed mill.

Implementation of the project was envisaged in two phases (i) installation of Paper Machine and Captive Power Plant with associated equipment in Phase-1, to be commissioned with purchased pulp as input in 30 months from the zero date and (ii) installation of Captive Pulp Mill including Chemical Recovery Boiler and another TG and associated equipment in Phase-2 after 30 months from commissioning of Phase-1 and completion within 30 months thereafter.

The total land requirement for the project was 500 acres (250 acres for plant facilities and 250 acres for colony and pulpwood nursery). For plant facilities 62.59 acres of land at Jagdishpur Industrial Estate was allotted by Uttar Pradesh State Industrial Development Corporation (UPSIDC). Necessary application was submitted alongwith requisite EMD to UPSIDC on 28.10.2010 but they returned the EMD stating that the land at Utelwa

JAGDISHPUR PAPER MILLS LIMITED

Industrial Area is under dispute.

After the meetings of CMD, HPC with the Chief Secretary, Govt of UP and the Managing Director, UPSIDC in June 2012 UPSIDC have agreed to handover the 62.59 acres (253301.73 sq.mtr.) of land and conveyed that the present land price at Utelwa Industrial area is approximately ₹ 1300/- per sq.mtr. and thus the cost of 62.59 acres (253301.73 sq.mtr.) will be about ₹ 32,92,92,249/- whereas the value for 500 acres of land provided in the approved DPR for the JPML Project was only ₹ 10 crores. Therefore, the matter has been taken up with UPSIDC vide letter dated July 03, 2012 through the good offices of Department of Heavy Industry, Ministry of HI&PE, GoI vide letter dated July 04, 2012 for getting required area of land allotted to the company at the originally allotted rate of ₹ 25/- per sq.mtr. in the year 2003 for the Mill Project. UPSIDC has conveyed vide their letter dated 27.08.2012 that the land rate of ₹ 1300/- per sq.mtr remains the same plus location and corner charges, lease rent and maintenance charges etc will be extra. It was also advised to deposit the money as per demand to their Faizabad Regional Office to proceed in the matter. They propose to get the land freehold for the JPML Mill Project at their next Board Meeting.

The validity of Bank Guarantee issued by State Bank of India for ₹ 10,00,000/- to be kept deposited with Uttar Pradesh Pollution Control Board (UPPCB) was also got extended and deposited with UPPCB.

A Current Account No. 0015102000034724 has been opened for the Company with IDBI Bank, Lucknow.

Your Holding Company is making all out efforts to bring the Project of your company into being and has incurred an expenditure of ₹ 14.50 lakh during the year and has incurred since inception pre-incorporation expenses ₹ 125.68 lakh and post-incorporation expenses ₹ 148.39 lakh as on 31.03.2012.

BOARD MEETINGS

The Board of Directors held four meetings during FY 2011-12, on 24.06.2011, 26.09.2011, 29.12.2011 and 30.03.2012.

DIRECTORS

Shri A S Upadhyaya ceased to be Director of your Company consequent upon his release from the services of HPC on attaining the age of superannuation on May 31,2012 and Shri R.C Singh, General Manager (Marketing) has been inducted as a Director in place of Shri A S Upadhyaya by the Holding Company w.e.f. June 29,2012.

Your Directors wish to place on record their sincere appreciation of the contribution made by Shri A S Upadhyaya during his association with the Board as also otherwise.

The Board presently consists of five Directors.

AUDITORS

M/s Gujrani & Co.(CA/0857), 42A C.R.Avenue, 3rd floor, Kolkata- 700 012 were re-appointed as the Statutory Auditors of the Company for FY 2011-12 vide Comptroller & Auditor General of India's letter No.CA.V/COY/CENTRAL GOVERNMENT, JAGPPR(1)/225 dated 26.08.2011.

ENVIRONMENTAL COMPLIANCE

As per directives of the Union Ministry of Environment & Forest(MoEF), the half-yearly Compliance Report is being regularly submitted to MoEF.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956 your Directors hereby state: -

- i) that in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

JAGDISHPUR PAPER MILLS LIMITED

- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for FY 2011-12.
- iii) that the Directors 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 and for preventing and detecting fraud and other irregularities.
- iv) that the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGMENT

Your Directors acknowledge with thanks the valuable assistance and guidance received from the Department of Heavy Industry and other Ministries/Departments of Government of India, various Departments of Government of Uttar Pradesh especially Deptt. of Commerce & Industry, Irrigation Deptt., Pollution Control Board, UP State Industrial Development Corporation etc. Your Directors wish to place on record their appreciation for the efforts put in by the employees of HPC, the Holding Company at all levels and hope that the Company will emerge as a major corporate contributor in advancing the industrial and economic development of Central Uttar Pradesh.

For and on behalf of the Board

M. V. Narasimha Rao
Chairman

Place : Kolkata,
Date : September 24, 2012

JAGDISHPUR PAPER MILLS LIMITED

ACCOUNTS 2011-2012

JAGDISHPUR PAPER MILLS LIMITED

BALANCE SHEET AS AT MARCH 31, 2012

Particulars	Note No.	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	5.00	5.00
Reserves & Surplus	2.2	(153.61)	-
Current Laibilities			
Other current liabilities	2.3	148.61	329.22
Total		-	334.22
II. ASSETS			
Non-current assets			
Other non-current assets	2.4	-	139.22
Current assets			
Short-term Loans and Advances	2.5	-	195.00
Total		-	334.22
Significant Accounting Policies	1		
Notes on Accounts	2		

In terms of our attached report of even date.

For GUJRANI & CO.

Chartered Accountants

VIKASH KUMAR SURANA

Partner

Membership No. : 59247

FR No. : 322101E

Place : Kolkata

Date : 22.08.12

R. C. SINGH

Chief Executive Officer & Director

AMITABHA BANERJEE

Director

M. V. NARASIMHA RAO

Chairman

JAGDISHPUR PAPER MILLS LIMITED

**STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED MARCH 31, 2012**

Particulars	Note No.	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
I. INCOME :			
Other Income	2.6	0.11	-
Total Revenue		0.11	-
II. EXPENSES :			
Other expenses	2.7	153.72	-
Total Expenses		153.72	-
Profit before exceptional and extraordinary items and tax		(153.61)	-
Exceptional Items		-	-
Profit before extraordinary items and tax		(153.61)	-
Extraordinary Items		-	-
Profit before tax		(153.61)	-
Tax expense :			
Current tax		-	-
Profit/(Loss) from the period from continuing operations		(153.61)	-
Profit/(Loss) from discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit/(Loss) for the period		(153.61)	-
Earning per equity share :			
(1) Basic		-	-
(2) Diluted		-	-

Significant Accounting Policies 1
Notes on Accounts 2

In terms of our attached report of even date.

For GUJRANI & CO.
Chartered Accountants

R. C. SINGH
Chief Executive Officer & Director

VIKASH KUMAR SURANA
Partner

AMITABHA BANERJEE
Director

M. V. NARASIMHA RAO
Chairman

Membership No. : 59247

FR No. : 322101E

Place : Kolkata

Date : 22.08.12

JAGDISHPUR PAPER MILLS LIMITED

NOTE - 1 : SIGNIFICANT ACCOUNTING POLICIES

i. **Accounting Convention**

- a) The Financial Statements have been prepared under the Historical Cost Convention in accordance with the Generally Accepted Accounting Policies and Provisions of the Companies Act, 1956 and as a going concern.
- b) The Company follows Mercantile System of Accounting.

ii **Revenue Recognition**

All revenue and expenses relating to company are accounted for on accrual basis. Revenue is recognized when no significant uncertainties exist in relation to the amount of eventual receipts.

iii **Use of Estimates**

The preparation of financial statements requires the management of the company to make estimates and assumption that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported amount of revenues and expenses during the year. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

iv **Deferred Revenue Expenditure**

As decided by the management, Preliminary expenses will be written off fully in the first year of commencement of commercial production and pre-operative expenses will be written off in 5 equal installments after the unit goes into commercial production.

v **Preliminary & Pre-Operative Expenses**

In terms of Revised Schedule VI applicable from 01.04.2011, the management has transferred the opening balances in Preliminary Expenses and Pre-Operative Expenses to Statement of Profit & Loss.

In terms of our attached report of even date.

For GUJRANI & CO.

Chartered Accountants

VIKASH KUMAR SURANA

Partner

Membership No. : 59247

FR No. : 322101E

Place : Kolkata

Date : 22.08.12

R. C. SINGH

Chief Executive Officer & Director

AMITABHA BANERJEE

Director

M. V. NARASIMHA RAO

Chairman

JAGDISHPUR PAPER MILLS LIMITED

NOTE - 2 : NOTES ON ACCOUNTS

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

2.1 : SHARE CAPITAL

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
(i) Authorised		
50,00,000 Equity Share of ₹ 10/- each with equal voting rights	500.00	500.00
(ii) Issued, Subscribed & Paid Up		
50,007 Equity Shares of ₹ 10 each fully paid up were issued Hindustan Paper Corporation and nominees of HPC and GOI.	<u>5.00</u>	<u>5.00</u>
(iii) Reconciliation of the number of shares and amount the outstanding at the beginning and at end of the F.Y.		
Opening Balance		
50,007 Equity Shares of ₹ 10 each fully paid up	<u>5.00</u>	<u>5.00</u>
Closing Balance	<u>5.00</u>	<u>5.00</u>
(iv) Details of Shareholders holding more than 5% Shares		
Name of Shareholder	No. of Shares	%
Hindustan Paper Corporation Ltd.	50,000 (50,000)	99.86% (99.86%)
	<u>5.00</u>	<u>5.00</u>

2.2 : RESERVES & SURPLUS

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
Surplus in Profit & Loss Account		
Profit & Loss for the year	(153.61)	-
Closing Balance	<u>(153.61)</u>	<u>-</u>

2.3 : OTHER CURRENT LIABILITIES

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
Current Account with (Cos. Under the same management)		
Hindustan Paper Corporation Limited (Holding Company)	148.39	329.00
Liabilities for Expenses		
Statutory Auditor Remuneration	<u>0.22</u>	<u>0.22</u>
	<u>148.61</u>	<u>329.22</u>

JAGDISHPUR PAPER MILLS LIMITED

2.3.1 : A sum of ₹ 148.39 Lakhs due to Hindustan Paper Corporation Ltd. for pre- incorporation and post incorporation expenses incurred on behalf of the company is shown under the head 'Current Account with HPC' under Current Liabilities. Liability has also been created for ₹ 0.22 Lakhs towards fees payable to Statutory Auditor For F. Y 2011-12.

2.3.2 : Disclosure under Micro, Small and Medium Enterprises development Act, 2006 :

The information regarding the enterprises which have provided goods & services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006, is not applicable to the Company as no such dues are outstanding as on 31st March 2012.

2.4 : OTHER NON CURRENT ASSETS

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
2.4.1 Preliminary Expenses		
Fees paid to MCA for Capital Registration	-	3.58
Total A	-	3.58

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
2.4.2 Pre-operative Expenses		
Pre-Operative Expenses (Opening balance)	-	122.10
Add : Post Incorporation Expenses (Opening Balance)	-	2.77
Add : Expenses Incurred During the year :		
Travelling Expenses - Directors	-	0.06
Travelling Expenses - Others	-	1.96
Telephone Expenses	-	0.10
Statutory Auditors Fees (incl. Service Tax)	-	0.22
Audit expenses	-	0.03
Printing & Stationery	-	0.39
Meeting expenses	-	0.04
Filing Fees	-	0.39
Cost of Manpower on deputation	-	7.44
Processing fees for Land	-	0.10
Medical expenses	-	0.05
Miscellaneous Expenses	-	0.01
Total B	-	135.64
TOTAL PRE-OPERATIVE EXPENSES	Total A + B	139.22

JAGDISHPUR PAPER MILLS LIMITED

2.4.3 : The expenditure of ₹ 3.58 Lakhs on Registration of the Company prior to incorporation shown as Preliminary expenses and ₹ 122.10 Lakhs on Feasibility Study, DPR etc. prior to incorporation and further ₹ 13.54 Lakhs incurred upto 31.03.2011 (total ₹ 135.64 lacs) which was shown as Pre-Operative Expenses in earlier year has been transferred to Statement of Profit & Loss account in compliance with the requirement of Revised Schedule VI and pursuant to withdrawal of "Guidance Note on Treatment of Expenditure during Construction Period" by the ICAI.

2.5 : SHORT TERM LOANS & ADVANCES

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
Advances (Recoverable in cash or in kind or for value to be received)		
EMD paid to UPSIDC towards Land allotment	-	195.00
	-	195.00

2.5.1 : A sum of ₹ 195 Lakhs was paid to M/s. UPSIDC by HPC, the Holding Company on behalf of the Company towards EMD for allotment of 62.59 acres of land for the project. The EMD has been returned by UPSIDC on account of dispute on the land along with ₹ 10000/- for refund of Processing Fees and ₹ 500/- for refund of Bank charges. The EMD has been squared off with the amount received and Refund of processing fees and bank charges has been credited to Other Income in Statement of Profit & Loss.

2.6 : OTHER INCOME

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
Expenses incurred in previous year, reimbursed during the year (See note 2.5.1)		
Processing fees for Land	0.10	-
Bank Charges	0.01	-
	0.11	-

JAGDISHPUR PAPER MILLS LIMITED

2.7 : OTHER EXPENSES

	Amount as at 31.03.2012 (₹ In Lakhs)	Amount as at 31.03.2011 (₹ In Lakhs)
Travelling Expenses - Directors	0.11	-
Travelling Expenses - Others	0.40	-
Telephone Expenses	0.05	-
Statutory Auditors Fees (incl. Service tax)	0.22	-
Audit expenses	0.03	-
Printing & Stationery	0.36	-
Meeting expenses	0.07	-
Filing Fees	0.16	-
Cost of Manpower on deputation	10.28	-
Medical expenses	2.81	-
Preliminary Expenses W/Off	3.58	-
Pre-Operative Expenses W/Off	135.64	-
	<u>153.72</u>	<u>-</u>

2.8 : Related Party Disclosures

per Accounting Standard 18 (AS-18) 'Related Party Disclosures', notified in the Companies (Accounting Standards) Rules 2006, the disclosures of transactions with the related party as defined in AS-18 are given below :

(A) Related Parties :

- (i) Whole Time Director - None
- (ii) Part time Directors - Shri M. V. Narasimha Rao - Chairman
 - Shri S. N. Bhattacharyya - Director
 - Shri Amitabha Banerjee - Director
 - Shri S. K. Singh - Director
 - Shri A. S. Upadhyaya - Director

In terms of our attached report of even date.

For GUJRANI & CO.
Chartered Accountants

VIKASH KUMAR SURANA
Partner

Membership No. : 59247

FR No. : 322101E

Place : Kolkata

Date : 22.08.12

R. C. SINGH
Chief Executive Officer & Director

AMITABHA BANERJEE
Director

M. V. NARASIMHA RAO
Chairman

JAGDISHPUR PAPER MILLS LIMITED

CASH FLOW STATEMENT

S. No.	PARTICULARS	Amount as at 31.03.2012 (₹ in Lakhs)	Amount as at 31.03.2011 (₹ in Lakhs)
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax & Extraordinary items	(153.61)	0.00
	Adjustment for :		
	Depreciation Provision	0.00	0.00
	Interest Income	0.00	0.00
	Dividend Income	0.00	0.00
	Interest Expenses	0.00	0.00
	Profit/Loss on Sale of Fixed Assets	0.00	0.00
	Write off of fixed asset	0.00	0.00
	Write off of Preliminary Expenses & Pre-Operative Expenses	139.22	0.00
	Write off of investment	0.00	0.00
	Operating Profit before Working Capital Changes	(14.39)	0.00
	Adjustment for :		
	Trade & Other Receivables - EMD to UPSIDC	195.00	(195.00)
	Inventories	0.00	0.00
	Current Liability	(180.61)	205.77
	Cash Generated from Operations	0.00	10.77
	Income Tax Paid	0.00	0.00
	Payment of Dividend including tax on Dividend	0.00	0.00
	Redemption of Share Capital	0.00	0.00
	Cash Flow before Extraordinary Items	0.00	10.77
	Extraordinary Items (Deferred Rev. Exp.)		
	Preliminary Expenses	0.00	0.00
	Pre-operative Expenses	0.00	(10.77)
	Net Cash from Operating Activities	0.00	0.00
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Investment	0.00	0.00
	Purchase of Fixed Assets/Capital Work in Progress	0.00	0.00
	Sale of Fixed Assets	0.00	0.00
	Term Deposits with Banks	0.00	0.00
	Interest Received	0.00	0.00
	Dividend Received	0.00	0.00
	Net Cash Flow from Investing Activities	0.00	0.00

JAGDISHPUR PAPER MILLS LIMITED

C. CASH FLOW FROM FINANCING ACTIVITIES

Amount from Subscribers	0.00	0.00
Proceeds from Long Term Borrowings - G.O.I.	0.00	0.00
Proceeds from commercial paper	0.00	0.00
Withdrawal from cash credit	0.00	0.00
Interest Paid	0.00	0.00
Net Cash Used in Financing Activities	0.00	0.00
Net Increase in Cash and Cash Equivalent A+B+C	0.00	0.00
Cash and Cash Equivalents at the beginning of the year	0.00	0.00
Cash and Cash Equivalents at the end of the year	0.00	0.00
DISCLOSURE AS REQUIRED BY AS-3		
Cash and Cash Equivalents at the end of the year		
Cash in hand	0.00	0.00
Stamps in hand	0.00	0.00
Cheques in hand	0.00	0.00
Remittances in transit	0.00	0.00
Balance with Scheduled Banks	0.00	0.00
On Cash Credit Account	0.00	0.00
On Current Account	0.00	0.00
Total	0.00	0.00

In terms of our attached report of even date.

For **GUJRANI & CO.**
Chartered Accountants

R. C. SINGH
Chief Executive Officer & Director

VIKASH KUMAR SURANA
Partner

AMITABHA BANERJEE
Director

M. V. NARASIMHA RAO
Chairman

Membership No. : 59247

FR No. : 322101E

Place : Kolkata

Date : 22.08.12

JAGDISHPUR PAPER MILLS LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF JAGDISHPUR PAPER MILLS LIMITED

We have audited the attached Balance Sheet, Statement of Profit and Loss and Cash Flow Statement of **M/s. JAGDISHPUR PAPER MILLS LIMITED** as at 31st March 2012 for the year ended on that date (along with statements and schedules attached). 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 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. While planning and performing audit procedures and evaluating and reporting the results thereof, we have considered the risk of material misstatements in the financial statements resulting from fraud and error. However, due to the inherent limitations of an audit, there is unavoidable risk that some material misstatements of financial statements, on account of fraud or error, may not be detected even though the audit is properly planned and performed in accordance with the Auditing Standards generally accepted in India.

The Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors Report) Amendment Order, 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, (The Act) is not applicable to the Company for the year under review, as the Company has not commenced any operations.

Further to our above comments, 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 Companies Act, 1956 have been kept by the company so far as it 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 is in agreement with the books of accounts.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report complies with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) Vide Notification No. GSR 829(E), dated 21st October 2003 the Central Government had directed that the provisions of Section 274(1)(g) of the Companies Act, 1956 shall not apply to a Government

JAGDISHPUR PAPER MILLS LIMITED

Company. Accordingly reporting on the matter specified under Section 227(3)(f) is not applicable to the company.

- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of Statement of Profit & Loss, of the Net Loss for the year ended on 31st March, 2012;
 - iii) in the case of Cash Flow Statement, of the cash flows of the Company for the year ended on 31st March, 2012.

for **GUJRANI & CO.**
Chartered Accountants

(Vikash Kr. Surana)

Partner

Membership No. : 059247

FRN : 322101E

Place : Kolkata
Date : 22.08.12

JAGDISHPUR PAPER MILLS LIMITED

**COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF
INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON
THE ACCOUNTS OF JAGDISHPUR PAPER MILLS LIMITED FOR THE
YEAR ENDED 31ST MARCH 2012**

The preparation of financial statements of Jagdishpur Paper Mills Limited for the year ended 31st March, 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the Auditing and Assurance Standards prescribed by their professional body, The Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 22 August 2012.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Jagdishpur Paper Mills Limited for the year ended 31st March 2012 and as such have no comment to make under Section 619(4) of the Companies Act, 1956.

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

(Nandana Munshi)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board - I
KOLKATA

Place : Kolkata

Dated : 24 September 2012