



**NATH PULP & PAPER MILLS LIMITED**

**41<sup>ST</sup> ANNUAL REPORT**

**2015-16**

**Registered Office:**

Nath Pulp & Paper Mills Ltd.  
Nath House, Nath Road,  
Aurangabad-431005 (Maharashtra).  
(Maharashtra)

**Factory:**

Nath Nagar (North)  
Village Wahegaon  
Taluka Paithan Dist: Aurangabad

**Directors:**

Akash Kagliwal  
Ashu Jain  
Omprakash Sharma  
Pramod Kumar Gupta (Nominee Director)  
S. P. Goel (Nominee Director)

**Statutory Auditors:**

M/s. R. B. Sharma & Co.  
Chartered Accountants  
Block No 7 & 8 2<sup>nd</sup> Floor  
Shangarila Complex  
Samarth Nagar, Aurangabad

**Registrar & Share Transfer Agent**

Big Share Services Pvt. Ltd.  
E-2/3, Ansa Industrial Estate,  
Sakivihar Road, Sakinaka,  
Andheri (E), Mumbai-400 072.  
Tel: 022-28470652, 40430200  
E-mail: info@bigshare.com

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**“Members are requested to register their email address with depository / Registrar & Share Transfer Agent to send communication through email and support Green initiative in the Corporate Governance”**

**NOTICE**

Notice is hereby given that the 41<sup>st</sup> Annual General Meeting of the members of Nath Pulp and Paper Mills Ltd., will be held at the Registered Office of the company at Nath House, Nath Road, Aurangabad 431005 on 30<sup>th</sup> September 2016, Friday at 11 a.m., to transact the following business:

**ORDINARY BUSINESS:****1. ADOPTION OF FINANCIAL STATEMENTS:**

To receive, consider, approve and adopt Directors' Report, Auditors' Report, Audited Balance Sheet as at 31st March 2016 and the Statement of Profit and Loss Account for the year ended on that date.

**2. APPOINTMENT OF AUDITORS:**

To appoint M/s Gautam N Associates, Chartered Accountants, Aurangabad as Statutory Auditors of the company, for the period of 5 years from financial year 2016-17 till financial year 2020-21, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

"RESOLVED THAT pursuant to the provisions of Sections 139 of Companies Act, 2013 ("ACT") and other applicable provisions of the Act, if any and the rules framed there under, as amended from time to time, M/s. Gautam N Associates, Chartered Accountants, Aurangabad (having Firm Registration No.103117W ) be and are appointed as Statutory Auditors of the Company, for the period of 5 years, and shall hold office until the conclusion of the 46<sup>th</sup> Annual General Meeting subject to ratification each year by the members of the Company."

"Resolved further that the directors of the company be and are hereby severally authorised to inform M/s Gautam N Associates, Chartered Accountants, of the above appointment and to provide a certified true copy of the above resolutions on behalf of the company and to undertake all necessary steps including filings, if required, to be done with the concerned regulatory authorities as may be necessary or expedient in this regards."

The Company has received a letter from M/s. Gautam N Associates, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013."

**3. APPOINTMENT OF DIRECTOR**

To appoint Mrs. Ashu Jain as a Director of the Company, who retires by rotation and being eligible, seeks re-appointment.

**SPECIAL BUSINESS:****4. To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provision of sections 196, 197 and 203 read with schedule V and all other applicable provisions, if any , of the Companies Act, 2013 and the Companies ( Appointment and remuneration of managerial personnel) rules, 2014 (including any statutory modification (s) or reenactment thereof for the time being in force), subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the re -appointment of and payment of remuneration to Shri Akash Kagliwal ( DIN: 01691724) as Managing Director for a period of 5 years effective from the date on which his appointment will stand approved by the shareholders of the company upon the terms and conditions and payment of remuneration and other perquisites/benefits to Shri Akash Kagliwal during the said period of 5 years as set out in the copy of agreement, copy whereof duly initialed by the Chairman for the purpose of identification is placed before this meeting including, inter-alias, payment and provision of the following remuneration, perquisites and benefits :

**A) Salary**

₹ 2,00,000/- in the scale of ₹ 2,00,000- ₹ 20,000- ₹ 3,00,000 per month.

**B) Perquisites:**

- (i) **Leave Travel Concession :** For self and family once in a year to and fro from any place in India subject to the condition that , only Air/ Rail fare shall be reimbursed .
- (ii) **Club Membership:** Fees towards membership of clubs shall be borne by the Company subject, however, to membership of two clubs.
- (iii) **Privilege Leave:** The Managing Director shall be entitled to one month's privilege leave.
- (iv) **Telephone :** Company shall provide a telephone at the residence.

**C) Termination of Office:**

The office of the Managing Director may be terminated by the Company giving three months prior notice in writing.

**D) Terms and conditions of Appointment:**

Following shall be the terms and conditions on which Mr. Akash Kagliwal shall function as the Managing Director.

1. That subject to the Supervision and Control of the Board of Directors of the Company, the day today management of Company will be in the hands of the Managing Director.
2. That the Managing Director shall also perform such other duties and services and exercise such powers as shall from time to time entrusted to him by the Board of Directors including power of the Board, as provided for in the Articles of Association of the Company.
3. That the Managing Director undertakes that he shall discharge his duties to the best of his ability in the interest of the Company.
4. That he shall conform to and comply with the regulations and directions of the Company and such orders as may from time to time be given by the Board of Directors.
5. That subject to compliance of various laws for the time being in force, the Managing Director shall have and exercise the following powers.
  - a) To manage the affairs of the Company and to perform and exercise all such powers, rights, discretion assigned or vested with him by the Board and / or by the Shareholders in the general meeting.
  - b) To enter into and become party to and to sign and execute all deeds, conveyance, instruments, contracts, receipts and all other documents and writings on behalf of the Company, whether or not such documents are to be executed under the common seal of the Company.
  - c) To make, sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company, cheques, bills of exchange, promissory notes, dock warrants, delivery order, railway receipts, bills of lading and such other mercantile documents and other negotiable instruments, securities and debentures.
  - d) To be a party to and to be present for registration and admit execution of and do all such acts, deeds and matters as may be found necessary and expedient to facilitate registration of all deeds, conveyance and writings whatsoever.
  - e) To institute, defend, refer to arbitration, abandon and compromise legal or other proceedings, settle claims by or against the Company.
  - f) To convene meetings of the Board of Directors, committee, sub committee of Directors and to convene the annual and extra ordinary general meeting of the shareholders.
  - g) To purchase, pay for, acquire, sell, repurchase, import, export, machinery, raw materials, finished goods and all such articles and things in the course of conducting the business of the Company.
  - h) To take on lease, hire purchase or on rent immovable and movable properties for the purpose of the business of the Company on such terms and conditions and charges as the Whole time Director may think fit.
  - i) To acquire tenements, buildings and such other immovable properties of every description and kind subject, however, to at such price as may be approved by the Board from time to time.
  - j) To approve of erection, extension of factory building, ware houses and buildings and works of every description and kind as the Board of Directors may decide from time to time.
  - k) To sell, transfer and dispose off immovable or movable properties of the Company of every description and kind.
  - l) To raise, borrow monies from time to time on behalf of and in the name of the Company but not exceeding the amount, if any, which may be specified by the Board of Directors time to time or as the whole time Director may think expedient.
  - m) To insure and keep insured Company's assets namely buildings, machinery, materials and all such properties movable or immovable and all such other risks.
  - n) Within the limit prescribed by the Board, to invest and deal with monies of the Company not immediately required in such investments including Govt. Securities.
  - o) To operate bank accounts, i.e., Current, Cash Credit, Over drafts, fixed or otherwise with any bankers, merchants or corporate and to pay monies into and draw monies from any such account or accounts from time to time for business needs.
  - p) To attend and vote at all meetings in bankruptcy, insolvency, liquidation or other proceedings in which Company may be interested or concerned.
  - q) To appoint, employ, promote, remove, discharge, suspend, reappoint, reemploy or replace for the governance of the country, officers, managers, secretaries, assistants, workmen and other employees, medical officers, accountants, architects, advocates, consultants, technicians with such powers and responsibilities and on such terms and conditions as to the duration of employment / retainership, remuneration and such other things, benefits as the Managing Director may think fit.
  - r) To delegate to any person/ persons all or any of the powers conferred on him by the Board and to revoke or withdraw any or all of the powers delegated by him as also from time to time provide for

the appointment of Attorney or Attorneys or other persons for the management of the affairs of the Company and confer on such person such powers as the Managing Director may think fit and to remove from time to time and appoint other person /persons to exercise the powers so delegated.

- s) To make all such arrangements and to do all such acts, deeds, matters and things on behalf of the Company as may be necessary, desirable and expedient in the management of affairs of the Company subject, however, to the provisions of the Companies Act, 2013 and other laws for the time being in force and / or to the Articles of Association of the Company which, inter alia expressly forbid certain acts by the Managing Director or which are required to be done only in the general meeting or by the Board of Directors.
- t) The Managing Director shall not have the power to
  - (i) To make calls on shareholders in respect of monies unpaid on the shares and Debentures of the Company.
  - (ii) Except for the powers delegated under section 179 of the companies Act 2013, invest the funds of the
  - (iii) Company or grant loans or borrow money.

**RESOLVED FURTHER THAT** in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the Managing Director the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013 and any excess payment in this regard will be recovered by the company.

**RESOLVED FURTHER THAT,** he is appointed as a Managing Director on Board not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid Agreement from time to time.

**Notes:**

- a) A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be the member of the Company.
- b) The instrument appointing the Proxy, if any, shall be delivered at the Registered Office of the company not later than forty eight hours before the time of commencement of the meeting and in default, the instrument of Proxy shall be treated as invalid.
- c) Members are requested to notify immediately any change in their address to the Company at its registered office.
- d) Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business at Item No. 4 of the above notice is annexed hereto.
- e) Electronic Copy of Annual Report will be sent to the members whose email IDs are registered with the Company/Depository Participant(s).  
Members may also note that Notice of the 41<sup>st</sup> Annual General Meeting and Annual Report 2015-16 will also be available on the Company's website [www.nathpaper.com](http://www.nathpaper.com) for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the normal business hours on working days till the date of the meeting. Even after registering e-communication, members are entitled to received such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [kgiyer@nathpaper.com](mailto:kgiyer@nathpaper.com)
- f) Register of Members and Share Transfer Books of the Company shall remain closed from 24<sup>th</sup> September 2016 to 30<sup>th</sup> September 2016, both days inclusive.
- g) The ministry of corporate affairs has taken a **"Green initiative in the Corporate Governance"** by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including the Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronics holding with the Depository to send all further communication through e-mail, to support Green initiative in the Corporate Governance.

**VOTING THROUGH ELCETRONIC MEANS**

In the compliance with provisions of clause 35B of the Listing Agreements read with Section 108 Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their votes for all the resolutions detailed in the Notice of 41<sup>st</sup> Annual General Meeting scheduled to be held on 30.09.2016 at 11.00 AM. The Company has engaged the services of CDSL, as the authorized agency to provide the e-voting as per instruction below:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 27.09.2016 (10.00 a.m.) and ends on 29.09.2016(5.00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23.09.2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. Printed on the name and address sticker/ Postal Ballot Form/mail) in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.  Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Nath Pulp and Paper Mills Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details they have to create compliance user, using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Girish Bhandare & Associates, Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner, The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of two (2) witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Result declared along with the Scrutinizer's Report shall be placed on the website of the Company viz. [www.nathpaper.com](http://www.nathpaper.com) and also on the website of CDSL viz. [www.cdslindia.com](http://www.cdslindia.com) within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**By order of the Board of Directors**

Place : Aurangabad  
Date : 31<sup>st</sup> Aug, 2016

**Registered Office**  
**Nath House, Nath Road,**  
**Itkheda, Paithan Road,**  
**Aurangabad -431005**

**Akash Kagliwal**  
**Whole Time Director**  
**(DIN: 01691724)**

Corporate Identification Number (CIN): L2100MH1975PLC018289

**Explanatory Statement Pursuant to Section 102 of the Companies Act 2013**

The following statement sets out all the material facts relating to the special business mentioned in the accompanying notice:

**ITEM NO.4:**

To re-appoint Mr. Akash Kagliwal (DIN: 01691724 ) as Managing Director of the Company for a period of 5 years, from the date of effective his appointment is approved by shareholders in the Annual General Meeting on the terms and conditions as specified below.

Mr. Akash Kagliwal was appointed as the Whole time Director of the Company for a period of five years at the Annual General Meeting held on September 30<sup>th</sup> 2011. By virtue of the said appointment, Mr. Akash Kagliwal vacates office on the conclusion of ensuing Annual General Meeting.

The Board of Directors of the Company at the meeting held on August 31, 2016 has approved the reappointment of Mr. Akash Kagliwal as the Managing Director of the Company for a period of five years, subject to the approval of the members of in the Annual General Meeting.

The terms of remuneration and perquisites are set out in the Special Resolution for the approval of the Members in the Annual General Meeting.

During his tenure as the whole time Director, Mr. Akash Kagliwal has done exceptionally well in managing the affairs of the Company during his tenure as the whole time Director.

Given Mr. Akash Kagliwal's rich experience and knowledge and his impeccable record in managing the affairs of the Company over the last five years, your Directors recommend passing of the Special Resolution as it would be to the benefit of Company.

Further details of Shri Akash Kagliwal have been given in the Annexure to this notice.

Except Mr. Akash Kagliwal & Mrs. Ashu Jain none of the Directors is interested in the Resolution.

**By order of the Board of Directors**

**Akash Kagliwal**  
**Whole Time Director**  
**(DIN: 01691724)**

**Place: Aurangabad**  
**Date: 31<sup>st</sup> Aug, 2016**

**Corporate Identification Number (CIN): L2100MH1975PLC018289**



**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS MANAGING DIRECTOR AT THE ANNUAL GENERAL MEETING**

NAME OF MANAGING DIRECTOR	Mr. Akash Kagliwal
Date of Birth	10 <sup>th</sup> June 1979
Date of Appointment	30 <sup>th</sup> September 2016
Qualification	Graduate
Experience in special functional area	Professional
Chairman/ Director of other companies	<ol style="list-style-type: none"> <li>1. Agri-Tech (India) Ltd.</li> <li>2. Akash Farms Pvt Ltd.</li> <li>3. Ashu Farms Pvt Ltd.</li> <li>4. Barkha Farms Pvt Ltd</li> <li>5. Emraled Seeds Pvt Ltd.</li> <li>6. Ferry Fax Farms Pvt Ltd.</li> <li>7. Global Transgenes Ltd.</li> <li>8. Jeevan Farms Pvt Ltd.</li> <li>9. Nath Bio-Technologies Ltd.</li> <li>10. Nath Royal Seeds Ltd</li> <li>11. Nath Industrial Chemicals Ltd.</li> <li>12. Nath Nirman Infra Pvt Ltd.</li> <li>13. N Kagliwal Education &amp; Research Foundation.</li> <li>14. Prabha Farms Pvt Ltd</li> <li>15. Paresh Farms Pvt Ltd</li> <li>16. Tapovan Paper &amp; Board Mills Ltd.</li> <li>17. Tapovan International Trading Pvt Ltd.</li> <li>18. Techindia Nirman Ltd.</li> </ol>
Chairman/ Member of Committees of other Companies	1. Agri -Tech (India) Ltd. - Managing Director
No of shares held in the Company	2

**DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS DIRECTOR AT THE ANNUAL GENERAL MEETING**

NAME OF DIRECTOR	Mrs. Ashu Jain
Date of Birth	22/06/1974
Date of Appointment	31/03/2015
Qualification	MBA.
Experience in special functional area	Administration
Chairman/ Director of other companies	1. Roshni Arts Pvt. Ltd.
Chairman/ Member of Committees of other Companies	NIL
No of shares held in the Company	2

**DIRECTORS' REPORT**
**Dear Shareholders,**

Your Directors are pleased to present the 41<sup>st</sup> Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2016.

**FINANCIAL RESULT:**

Your Company's performance during the year is summarized below:

Particulars	₹. In Lacs	
	Year ended 31 <sup>st</sup> March, 2016	Year ended 31 <sup>st</sup> March, 2015
Sales and other income	8796.42	9585.67
Profit/ (loss) before Depreciation	85.86	388.18
Depreciation	90.50	74.13
Net Profit/ loss for the year	41.55	350.27
Prior Period Items	46.19	36.21
Net Profit / (loss) before tax	(4.64)	314.06
Deferred Tax (Income)/ Expenses	94.27	879.96
Profit after Tax	(98.89)	(565.90)

**PERFORMANCE:**

The performance of the company during the year was under pressure compared to that of the previous year due to overall recession in the Paper Industry. The working of the company has been satisfactory during the year. Your company has also brought about changes in the process by doing need based capex and has achieved better efficiency in power and fuel consumption.

Your company has developed higher GSM core boards and Thermal paper. Demand for thermal paper is growing constantly.

Despite the adverse conditions, your Company has achieved turnover and other income of ₹ 8796.42 lakh as compared to the previous year ₹ 9585.67 lakh. Company has posted a net Loss before adjustment of deferred tax expenses of ₹. 4.64 lakh (previous year 314.06 lakh).

**INDEBTNESS:**

Your Company has crystallized dues of ARC Trust on March 18<sup>th</sup> 2016 for ₹ 3750 Lakh. Your Company expects to raise money to repay dues of ARC trust by sale of surplus land, loan from associate companies and internal accrual.

Your company has repaid ₹ 468.50 lakh to financial institutions during the financial year.

**SUBSIDIARY COMPANY:**

The Company does not have any subsidiary Company.

**PUBLIC DEPOSIT:**

The Company has not accepted deposit from the public during the financial year under the review within the meaning of Section 73 of the Companies Act, 2013, read with companies (Acceptance of Deposits) Rules, 2014.

**EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in Form No MGT-9 shall form part of the Boards Report in **Annexure-I**.

**CORPORATE GOVERNANCE**

As per Clause-52 of Listing Agreement with the Stock Exchange, the report of the Corporate Governance the certificate of the Auditors of the Company in respect of compliance thereof are appended hereto and forming part of this report; is given in **Annexure-II**.

The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached in the report of Corporate Governance.

**NUMBER OF MEETING HELD DURING THE YEAR**

The details of all the meetings of Board of Directors and the Committees, which has taken place during the year and their details along with their attendance, is given in **Annexure-II**.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion and Analysis of the financial condition and results of consolidated operations of the Company under review, is annexed and forms an integral part of the Directors' Report, is given in **Annexure-III**.

**ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND R & D EFFORTS AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 are set out below:

**(A) Conservation of Energy and Foreign Exchange Earnings and Outgo**

Your Company is continuously taking initiatives to ensure the optimum utilization of energy available in day to day operations at its plant and factory premises. Your Company uses energy efficient lighting devices, light fittings to save energy, capacitor bank / devices to maintain power factor and plant & equipment which are environment friendly and power efficient.

**(B) Technology Absorption**

Company has carried out R & D work of high strength core board and thermal paper and Energy Conservation.

Company is benefited in High Realization, Reduction in Energy Cost and Increase in the efficiency of the machines as a result of above R & D.

Expenditure on R & D has been shown under the respective heads of expenditure in the statement of profit and loss, as no separate account is maintained.

**(C) Foreign Exchange Earnings and Outgo**

The Company has incurred the following expenses in foreign currency during the financial year 2014-15. The rupee equivalent of that amount is given hereunder:

Particulars	₹ In Lacs
Total Expenditure	1640.62
Total Earnings	-

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made thereunder, Mrs. Ashu Jain (DIN: 00243310) Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer herself for re-appointment, for which necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends the re-appointment of Mrs. Ashu Jain as a Director of the Company.

The Company has received declarations from all the Independent Directors of the Company in terms of Section 149(7) of the Act, confirming that they meet criteria of independence as prescribed under section 149(6) of the Act and Regulation 25 of SEBI Listing Regulations, 2015.

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement Under Section 134 (3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- In the preparation of the annual accounts for the year ended March 31, 2016, the applicable Accounting Standards have been followed and there are no material departures from the same;
- The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31, 2016 and of the Profit of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors had prepared the annual accounts of the Company on a 'going concern' basis;

- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The Disclosures pertaining to remuneration as required Under Section 197(2) of the Companies Act, 2013 and with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part Directors Report, is given in **Annexure-IV**.

**EVALUATION OF BOARD**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees,. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**INTERNAL CONTROL SYSTEM**

The Company has in place adequate internal financial controls with reference to financial statements. During the year no reportable material weakness in the design or operation were observed.

The internal audit covers a wide variety of operational matters and ensures compliance with specific standard with regards to its policies and procedures.

**WHISTLE BLOWER POLICY / VIGIL MECHANISM**

During the year, your Directors have constituted a Whistle Blower Policy / Vigil Mechanism Policy for the Company to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct of the Company as per the provisions of Section 177 (9) and (10) of Companies Act, 2013. The Vigil Mechanism Policy report has been uploaded on the Website of the Company at [www.nathpaper.com](http://www.nathpaper.com)

**OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

During the year the company has adopted a policy for prevention of Sexual Harassment of Women a workplace and has not received any complaint of harassment. The detailed policy forms has been uploaded on the Website of the Company at [www.nathpaper.com](http://www.nathpaper.com)

**RISK MANAGEMENT POLICY**

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) Overseeing and approving the Company's enterprise wide risk management framework; and (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

**STATUTORY INFORMATION**

The Company being basically into the Paper business. Apart from paper business, the Company is not engaged in any other business/activities. Company is the member of BSE and ASE platforms where its shares are listed.

**STATUTORY AUDITORS**

M/s. R. B. Sharma & Company, Chartered Accountants, Aurangabad (having Firm Registration No.109971W) as Statutory Auditors of the Company, who were appointed in last AGM and holds office until the conclusion of the 41<sup>st</sup> Annual General Meeting, have expressed their inability to continue and submitted their resignation. Board of Directors have accepted their resignation in Board meeting held on 31<sup>st</sup> august 2016 ,subject to approval of the same by members in the ensuing Annual general meeting.

Board of Directors in the meeting held on 31<sup>st</sup> August 2016 appointed M/s Gautam N. Associates, Chartered Accountants, Aurangabad having firm registration no. 103117W to fill up the casual vacancy due to resignation of M/s R.B.Sharma & Company. The appointment of M/s Gautam N. Associates is subject to approval of members in the ensuing Annual general meeting.

The Company has received letter from M/s. Gautam N. Associates, Chartered Accountants, to the effect that their ratification of appointment, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Companies Act, 2013.

**SECRETARIAL AUDITOR**

The board has appointed M/s Girish Bhandare & Associates, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2015-16. The Secretarial Audit Report is annexed herewith in **Annexure-V**.

**AUDITORS REPORT**

The notes referred to by the Auditors in their report are self-explanatory and do not call for further explanation.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

Your Board endeavors that all contracts/ arrangements/ transactions entered by the Company during the financial year with related parties are in the ordinary course of business and on an arm's length basis only. During the year under review the Company has not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

**PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS**

The Company has not given any loans or guarantees or investments during the year, under Section 186 (4) of Companies Act, 2013.

**INSURANCE**

All the properties and the insurable interest of the Company including building, plants and machinery and stocks wherever necessary and to the extent required have been adequately insured.

**INDUSTRIAL RELATIONS**

During the year under reference, the workers of the Company had gone on a strike from 14<sup>th</sup> February 2015 to 14<sup>th</sup> April 2015 owing to certain differences in the renewal of wage agreement. However, following negotiations and wage settlement with the workers, plant went on stream from 15<sup>th</sup> April 2015. This has been one of the rare exceptions in Company's history of maintaining industrial harmony.

Company's industrial relations continue to be cordial. Your directors acknowledge the support and co-operation from employees at all levels.

**RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature and size of operations of your Company.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

**APPRECIATION**

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the Company.

**ACKNOWLEDGEMENT**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, bankers, regulatory bodies and other business constituents during the year under review.

**For and on behalf of the Board,**

**Place: Aurangabad**  
**Date : 31<sup>st</sup> August, 2016**

**Akash Kagliwal**  
**Whole time Director**  
**(DIN: 01691724)**



**Annexure I forming part of Directors' Report**

**Form No.MGT-9**

**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on March 31, 2016 {Pursuant to Section 92(3) of the companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration Rules, 2014)

**I. REGISTRATION AND OTHER DETAILS**

<b>I.</b>	<b>REGISTRATION AND OTHER DETAILS</b>	
i)	CIN	L21100MH1975PLC018289
ii)	Registration Date	10 <sup>th</sup> April 1975
iii)	Name of the Company	Nath Pulp & Paper Mills Ltd
iv)	Category / Sub-Category of the Company	Public Limited
v)	Addressed of the Registration office and contact details	Nath House, Nath Road, Aurangabad 431005 Tel 0240-2376314 to 317 Fax 0240-2376762
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Bigshare Services Private Ltd, E 2 & 3 Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri ( East ) - Mumbai -400072- email -info@bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

Sr,	Name and Description of main products /services	NIC Code of the product /service	% to total turnover of the company
1	Paper and paper Board	4800	100

**III. PARTICULARS OF HOLDING .SUBSIDIARY AND ASSOCIATE COMPANIES**

<b>Name</b>	<b>CIN/GLN</b>	<b>Holding / subsidiary/ Associate</b>	<b>%of shares held</b>	<b>Applicable section</b>
Tapovan International Trading company Pvt. Ltd.	U52300MH2013PTC250887	Associate	-	2 (6)



**IV. SHARE HOLDING PATTERN:**

**(a) Equity Share Capital Break-up as percentage of Total Equity**

Sr	Category of Shareholders	No. of Shares at the beginning of the year As on 01/04/2015				No. of Shares at the end of the year As on 31/03/2016				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Promoter</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual HUF	-	771	771	0.01	-	771	771	0.01	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies/ Corporate	6113858	54150	6168008	68.53	6113858	54150	6168008	68.53	-
(d)	FI/Banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(1)</b>		<b>6113858</b>	<b>54921</b>	<b>6168779</b>	<b>68.54</b>	<b>6113858</b>	<b>54921</b>	<b>6168779</b>	<b>68.54</b>	<b>-</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individual (NRI)	-	-	-	-	-	-	-	-	-
(b)	Bodies/ Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	QFI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
<b>Sub Total (A)(2)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>		<b>6113858</b>	<b>54921</b>	<b>6168779</b>	<b>68.54</b>	<b>6113858</b>	<b>54921</b>	<b>6168779</b>	<b>68.54</b>	<b>-</b>



Sr	Category of Shareholders	No. of Shares at the beginning of the year As on 01/04/2015				No. of Shares at the end of the year As on 31/03/2016				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding	-	-	-	-	-	-	-	-	-
(1)	Institutions	-	-	-	-	-	-	-	-	-
(a)	Mutual funds/UTI	-	3928	3928	0.04	-	3928	3928	0.04	-
(b)	FI/Banks	2103730	11785	2115515	23.51	2103730	11785	2115515	23.51	-
(c)	Central Govt. State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FII's	-	-	-	-	-	-	-	-	-
(g)	Foreign venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
(j)	Overseas Bodies / Corporate	-	-	-	-	-	-	-	-	-
<b>Sub Total (B) (1)</b>		<b>2103730</b>	<b>15713</b>	<b>2119443</b>	<b>23.55</b>	<b>2103730</b>	<b>15713</b>	<b>2119443</b>	<b>23.55</b>	<b>-</b>
(2)	Non Institutions	-	-	-	-	-	-	-	-	-
(a)	Bodies/ Corporate	38714	6171	44885	0.50	38431	5992	44423	0.49	-0.01
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding share capital up to Rs.2Lac	481665	126756	608421	6.76	511411	122685	634096	7.05	0.29
(ii)	Individual shareholders holding share capital in excess Rs.2 Lac	50076	-	50076	0.56	25200	-	25200	0.28	-0.28
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any other(Specify)	-	-	-	-	-	-	-	-	-
(d1)	NRI	653	3904	4557	0.05	655	3904	4559	0.05	0.00





(d2)	Employee	0	2343	2343	0.03	0	2343	2343	0.03	0.00
(d3)	Clearing Members	1496	-	1496	0.01	1157	-	1157	0.01	0.00
<b>Sub Total (B) (2)</b>		<b>572604</b>	<b>139174</b>	<b>711778</b>	<b>7.91</b>	<b>576854</b>	<b>134924</b>	<b>711778</b>	<b>7.91</b>	<b>0.49</b>
<b>Total Public Share Holding (B1 + B2)</b>		<b>2676334</b>	<b>154887</b>	<b>2831221</b>	<b>31.46</b>	<b>2680584</b>	<b>150637</b>	<b>2831221</b>	<b>31.46</b>	<b>-</b>
(C)	Shares held by Custodians for ADRs and GDRs	-	-	-	-	-	-	-	-	-
<b>Sub Total ( C )</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>		<b>8790192</b>	<b>209808</b>	<b>9000000</b>	<b>100</b>	<b>8794442</b>	<b>205558</b>	<b>9000000</b>	<b>100</b>	<b>-</b>

**(b) Share Holding of Promoters:**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.Nandkishor Kagliwal	550	0.01	-	550	0.01	-	-
2.Jeevanlata N. Kagliwal	67	0.00	-	67	0.00	-	-
3.Subhash Kagliwal	50	0.00	-	50	0.00	-	-
4.Laxminarayan Kagliwal	50	0.00	-	50	0.00	-	-
5.Akash Kagliwal	2	0.00	-	2	0.00	-	-
6.Ashu Kagliwal	2	0.00	-	2	0.00	-	-
7.Anil Kagliwal	50	0.00	-	50	0.00	-	-
8.Nath Capital and Financial Services	1,648	0.02	-	1,648	0.02	-	-
9.Paresh Farms Pvt. Ltd	40,729	0.45	-	40,729	0.45	-	-
10.Paresh Farms Pvt. Ltd.-A/c MSFC	13575	0.15	0.15	13574	0.15	0.15	-
10.Prabha Farms Pvt. Ltd	29	0.00	-	29	0.00	-	-
11.Jeevan Farms Pvt. Ltd- A/C ARC Trust	35,000	0.39	0.39	35,000	0.39	0.39	-
12.Akash Farms Pvt. Ltd	2,002,027	22.24	-	2,002,027	22.24	-	-



Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
13.Mayo Farms Pvt. Ltd	35,000	0.39	-	35,000	0.39	-	-
14.Tapovan Farms Pvt. Ltd	40,000	0.44	-	40,000	0.44	-	-
15.Ashu Farms Pvt Ltd	2,000,000	22.22	-	2,000,000	22.22	-	-
16.Tapovan Paper and Board Mills Ltd	2,000,000	22.22	-	2,000,000	22.22	-	-
<b>Total</b>	<b>6168779</b>	<b>68.54</b>	<b>0.54</b>	<b>6168779</b>	<b>68.54</b>	<b>0.54</b>	<b>-</b>

**(c) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY IF THERE IS NO CHANGE)**

	No of Shares	% Holding
At the beginning of year	6,168,779	68.54
At the end of year	6,168,779	68.54

**(d)Shareholding Pattern of Top 10 shareholders other than Directors, Promoters and Holders of GDRs and ADRs**

Sr. no	Name of the Shareholder	No. of shares held as on 01.04.2015	% holding	No. of shares held as on 31.03.2016	% holding
1	Industrial Credit and Investment Corporation of India Ltd.	8547	0.10	8547	0.10
2	Life Insurance Corporation of India	53,728	0.60	53,728	0.60
3	State Bank of India	50,002	0.56	50,002	0.56
4	ARC Trust Ltd. ( Trust Holdings)	2,000,000	22.22	2,000,000	22.22
5	Manish Jain	7,010	0.08	7,010	0.08
6	Maya Rameshwar Ukey	8,275	0.09	8,275	0.09
7	Sunita Laxminarayan Attal	16,771	0.19	16,421	0.18
8	Laxminarayan Attal	13,044	0.14	13,044	0.14
9	Vishambar Lal Jangid	7,250	0.08	7,250	0.08
10	Dipak Kanayalal Shah	20,611	0.23	20,611	0.23



**(e) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Name	Beginning of the Year		During the year	
	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
Akash Kagliwal	2	0.00	2	0.00
Ashu Jain	2	0.00	2	0.00

**V. INDEBTNESS:**

Indebtness of the company including interest outstanding /accrued but not due for payment:

**Rs in Lakh**

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtness at the Beginning of the financial Year				
i)Principal Amount	1110.60	48.00	0.00	1158.60
ii)Interest due but not paid	24.55	0.00	0.00	24.55
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1135.15	48.00	0.00	1183.15
Changes during financial year				
Addition	10.61	0.00	0.00	10.61
(Reduction)	(425.63)	(48.00)	0.00	(473.63)
Net Change	(415.02)	(48.00)	0.00	(463.02)
Indebtness at the end of the Financial year				
i)Principal Amount	684.98	0.00	0.00	684.98
ii)Interest due but not paid	35.16	0.00	0.00	35.16
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	720.13	0.00	0.00	720.13

**Note: (1) Company has not provided interest of ARC Trust (Please Refer Note No. 27.14 (i))**

**(2) Company has not recognized liability that may arise on account of withdrawal of waiver with retrospective effect due to default in repayment to ARC Trust (Please refer Note No. 27.01 (c) (i))**

**(3) Accounts of Financial Institutions are subject to reconciliation. Please refer Note No.27.15**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to whole time Director /Managing Director and /or Manager**

Sr.	Particulars of remuneration	Amount ₹
1	Akash Kagliwal (Whole Time Director) Gross Salary : Salary as per provisions contained in section 17(2) of the Income Tax Act 1961 Value of perquisites u/s 17 (2) of the Income Tax Act 1961 Profits in lieu of salary u/s 17 (2) of the Income Tax Act 1961	12,00,000 - -
	<b>Total A</b>	<b>12,00,000</b>

**B. Remuneration to other directors**

Sr	Particulars of Remuneration	Amount ₹
1	<b>Non executive Independent Director :</b> <b>Name : Shirang Shrikishan Agarwal</b> Fee for attending board , committee meetings	30,000
	<b>Total -1</b>	<b>30,000</b>
2	<b>Other Non-executive Director</b> <b>Name: Om Prakash Sharma</b> Fee for attending board , committee meetings	15,000
	<b>Total -2</b>	<b>15,000</b>
3	<b>Other Non-executive Director</b> <b>Name: Mrs. Ashu Jain</b> Fee for attending board , committee meetings	20,000
	<b>Total -3</b>	<b>20,000</b>
4.	<b>Other Non executive Nominee Director-ARC Trust</b> <b>Name:Mr.P.S.Ravindranath</b> Fee for attending board meetings	5,000
	<b>Total -4</b>	<b>5,000</b>
5	<b>Other Non executive Nominee Director-ARC Trust</b> <b>Name:Mr.Pramod Kumar Gupta</b> Fee for attending board meetings	10,000
	<b>Total-5</b>	<b>10000</b>
6	<b>Other Non executive Nominee Director-BIFR</b> <b>Name:Mr. S.P.Goel</b> Fee for attending board meetings	5,000
	<b>Total-6</b>	<b>5,000</b>
	<b>Grand Total 1 to 6</b>	<b>85,000</b>

**VII. Remuneration to Key Managerial Personnel other than MD/Manager /WTD**

Sr. No.	Particulars of Remuneration	Amount
1	<b>Vijay Saboo, CFO</b> Remuneration	₹ 1,478,700
	<b>Total</b>	<b>₹ 1,478,700</b>

**VIII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment	Authority RD/NCLT/COURT
Penalty	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil

**Annexure II to Directors' Report**
**CORPORATE GOVERNANCE REPORT**
**1. Company's Philosophy on Code of Governance**

It is the consistent conviction of the company that sound and strong corporate governance leads to durable substance of business and generate long term value all stake holders. In pursuance of this, the company has been pursuing corporate governance practices based on professional excellence, business ethics and transparency. The Company believes that good corporate governance goes much beyond to fulfilling the statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company believes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction.

**2. Corporate Ethics**

The Company adheres to highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in its business dealings.

**3. Board of Directors and Board Meetings:**

Company's Board of Directors as at 31<sup>st</sup> March, 2016 comprises Six Directors three of them are independent and non executive. The Composition is as under:

Name	Category	No of outside Directorship held		Committee Membership	Committee Chairmanship
		Public	Private		
Mr. Akash Kagliwal	Executive	8	10	-	-
Mrs. Ashu Jain	Non Executive Women Director	-	1	-	-
Mr. Omprakash Sharma	Non-Executive & Independent	2	1	-	-
Mr. Pramod Kumar Gupta	Non -Executive & Independent (Nominee Director – Arc Trust)	3	-	-	-
Mr. Shrirang Agrawal	Non-Executive & Independent	7	4	2	-
Mr. S.P.Goel	Non -Executive & Independent (Nominee Director – BIFR)	1	-	-	-

**Meeting and Attendance record of each Director**

During the year ended 31<sup>st</sup> March 2016, six meetings of the Board were held on the following date:

- 1) 30<sup>th</sup> Apr-2015    2) 30<sup>th</sup> May-2015    3) 31<sup>st</sup> Jul-2015  
 4) 28<sup>th</sup> Aug-2015    5) 27<sup>th</sup> Oct-2015    6) 30<sup>th</sup> Jan-2016

The attendance record of the Directors at the Board Meetings held during the year ended 31<sup>st</sup> March, 2016 and the last Annual General Meeting (AGM) of the Company are as under:

Name of the Director	Board Meetings	Last AGM ( Y/N)
Mr. Akash Kagliwal	6	Yes
Mrs. Ashu Jain	4	No
Mr. Omprakash Sharma	3	Yes
Mr. P. S. Ravendernath	1	No
Mr. Pramod Kumar Gupta	2	No
Mr. Shrirang Agrawal	6	Yes
Mr. S P Goel	1	No

**4. Audit Committee**

The Audit Committee met Eight times during the year ended 31<sup>st</sup> Match 2016 on

- 1) 30<sup>th</sup> Apr-2015    2) 30<sup>th</sup> May-2015    3) 28<sup>th</sup> Aug-2015  
 4) 27<sup>th</sup> Oct-2015    5) 30<sup>th</sup> Jan 2016

The Constitution of the committee as at 31.03.2016 and the attendance of each member are given below:

Name of the Director	No. of Meetings attended
Mr. Akash Kagliwal	5
Mr. Omprakash Sharma	4
Mr. Shrirang Agrawal	5

Two members of the Committee are non-executive and independent. He has adequate knowledge of Accounts, Audit, and Finance. Mr. Shrirang Agrawal Independent Director is the Chairman of the committee.

Audit Committee meetings are also attended by Company's Vice President (Finance) and the Internal Auditors.

The terms of reference of the Audit Committee include:

- To review the company's financial reporting process and financial statements.
- To review the accounting and financial policies and practices.
- To review the efficacy of the internal control mechanism and monitor the management policies adopted by the company and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors and ensure that suitable action is taken.
- To examine accountancy, taxation and disclosure aspects of all significant transactions.

#### 5. Remuneration Committee

Remuneration Committee comprises of non-executive Directors namely

Mrs. Ashu Jain  
Mr. Shrirang Agarwal

#### Remuneration to Directors

The Non-Executive Independent directors, sitting fees for attending the meetings of the Board of Directors as below.

Name	Status	Sitting Fees ₹
Mrs. Ashu Jain	Non Executive Independent	20,000
Mr. Om Prakash Sharma	Non Executive Independent	15,000
Mr. P.S.Ravindrananth	Non Executive Nominee Director	5,000
Mr. Pramod Kumar Gupta	Non Executive Nominee Director	10,000
Mr. S.S.Agarwal	Non Executive Independent	30,000
Mr. S. P.Goel	Non Executive Nominee Director	5,000

#### Remuneration to Whole Time Director

The Whole time Director's remuneration is subject to compliance of Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956. The Board on the recommendation of the Remuneration committee considers the remuneration of Whole time Director. The Board recommends the remuneration of the whole time director for approval of the Shareholders, at the Annual General Meeting or any such other authority as may be required.

The table below shows the details of remuneration paid to Whole time Director of the Company during the financial year 2015-2016

Director's Name	Salary
Mr. Akash Kagliwal	₹. 1,200,000

#### 6. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance Committee comprised one executive and one non-executive Director; the committee met four times on

- 30<sup>th</sup> Apr, 2015
- 31<sup>st</sup> July, 2015
- 28<sup>st</sup> Aug, 2015
- 30<sup>th</sup> Jan, 2016

During the year ended 31st March, 2016. The Constitution of the committee as on 31.03.2016 is given below:

Name	Status	Meeting attended
Mr.Akash Kagliwal	Executive	4
Mr. Shrirang Agrawal	Non executive	4

The committee deals with matters relating to:

- Transfer/ transmission of shares
- Review of shares dematerialized and all other related matters
- Monitoring of expeditious redressal of investors' grievances
- Other matters relating to shares

Company's shares are compulsorily traded in dematerialized form and have to be delivered in dematerialized form in all Stock Exchanges. To expedite transfers in physical segment, authority has been delegated to the Investor Relations committee of the Board.

There were no share transfers/ complaints pending disposal as on 31st March, 2016.



**7. Compliance officer**

Mr. K.G. Iyer is Company's compliance officer. His address and contact details are given below:

Address: Nath House, Paithan Road, Aurangabad -431005

Tel Nos: 0240-2376314, 2376315 Fax: 0240-2376762

No of Shareholders' Complaints received during the year 16

No. of complaints solved to the satisfaction of the Shareholders 16

No. of pending complaints Nil

**Annual General Meetings**

Meeting	Day and Date	Time	Place
40 <sup>th</sup> Annual General Meeting 2014-15	Wednesday 30 <sup>th</sup> Sep 2015	11 AM	Nath House, Nath Road, Aurangabad
39 <sup>th</sup> Annual General Meeting 2013-14	Tuesday 30 <sup>th</sup> Sep 2014	11 AM	Nath House, Nath Road, Aurangabad
38 <sup>th</sup> Annual General Meeting 2012-13	Monday 30 <sup>th</sup> Sep 2013	11 AM	Nath House, Nath Road, Aurangabad

During the year 2015-16 no resolution has been passed through Postal Ballot. Presently there is no proposal to pass any Special Resolution by postal ballot.

**8. Disclosure of material transactions and penalties to the Board**

There are no materially significant related party transactions, i.e., transactions of the Company of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that would be prejudicial to the interest of the Company.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the period under review.

**9. Means of Communication**

Although, half yearly report is not sent to each household of shareholders, Company has submitted the quarterly results to Bombay Stock Exchange and Ahmadabad Stock Exchange.

Newspapers normally published in	Business Standard & Lokpatra
Website where displayed	Bseindia.com
Whether it displays official news release and presentations made to Institutional Investors or analysts	NA
Whether Management Discussion and Analysis is part of the annual report or not	Yes

**10. General Shareholders Information**

**Annual General Meeting**

Date and time	30 <sup>th</sup> September, 2016 At 11.00 A.M.
Venue	Nath House, Paithan Road Aurangabad
Pin	431005
Financial Year	2015-2016

**Book Closure**

The register of the shareholders of the Company will remain closed on 24<sup>th</sup> Sept 2016 to 30<sup>th</sup> Sept 2016, both days inclusive

**Financial Calendar (tentative)**

Financial reporting for the quarter ending 30th June ,2016	by July 2016
Financial reporting for the quarter ending 30th September , 2016	by October 2016
Financial Reporting for the quarter ending 31st December , 2016	by January 2017
Financial reporting for the quarter ending 31st March 2017	by May 2017
Annual General meeting for the year ending 31 <sup>st</sup> March 2017	by Sept 2017

**11. Listing on Stock Exchanges and ISIN No.**

The Company's equity now stands as 9,000,000 equity shares, which are presently listed on Bombay Stock Exchange Ltd. and Ahmadabad Stock Exchange Ltd. However Ahmadabad Stock Exchange is not in operation.

The Company has paid annual listing fees of Bombay Stock Exchange for the financial year 2016-17. Scrip code 502407 BSE ISIN No. INE776A01017

**Market Price Data**

Month	High Price ₹	Low Price ₹
April, 2015	36.00	30.25
May, 2015	37.30	26.55
June, 2015	35.00	27.10
July, 2015	34.70	26.50
August, 2015	38.50	26.10
September, 2015	31.90	25.00
October, 2015	33.50	26.00
November, 2015	33.30	27.50
December, 2015	36.90	27.60
January, 2016	43.05	28.80
February, 2016	33.00	26.00
March, 2016	32.25	25.55

**Category of Shareholders as on 31.03.2016**

Category	No. of Shares (Issued equity)	Percentage
Promoters	6,168,779	68.54
Indian Financial Institutions / Banks / Mutual Funds	2,119,443	23.55
Foreign Institutional Investors /NRIS'	4,559	0.05
Others	707,219	7.86
Total	9000000	100.00

**12. Registry and Transfer activity**

As per SEBI guidelines the Registry and share transfer activities is being handled by M/s. Big Share Services Private Limited. The Share Transfer requests received in physical form are normally registered within 30 days from the date of receipt. Company has arrangement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for demat facilities. The Demat status of the equity shares as on 31.03.2016 is as follows:

Shares in Demat mode with NSDL:	8,603,872
Shares in Demat mode with CDSL:	190,570
Shares in physical mode :	205,558

**Address for Investor Correspondence**

Plant Location:	Registrar and Share Transfer Agent
Nath Pulp and Paper Mills Ltd.	Big Share Services Pvt. Ltd.
Nath Nagar (North), At. Post: Wahegaon,	E- 2/3, Ansa Industrial Estate
Taluka: Paithan,	Sakivuhar Road, Saki Naka
Dist: Aurangabad (Maharashtra)	Andheri (E) Mumbai-400 072 (Maharashtra)

**13. Compliance Certificate of The Auditors**

Certificate from the Company's Auditors, M/s. R. B. Sharma & Company, Chartered Accountants confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

**14. CEO and CFO Certification**

The Whole-time Director and the Chief Financial Officer of the Company have given annual certification on statutory compliances, financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Whole-time Director and the Chief Financial Officer is attached to this Report.

**15. Compliance with Code of Conduct**

As stipulated under the provisions of sub-clause (II) E(2) of Clause 49 of the Listing Agreement with stock exchanges, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended on March 31, 2016.

**For and on behalf of the Board**

**Akash Kagliwal**  
**Whole time Director**  
**DIN No: 01691724**

**Place: Aurangabad**  
**Date: 31<sup>st</sup> August 2016**





**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To,  
The Members  
Nath Pulp and Paper Mills Ltd.  
Aurangabad.**

We have examined the compliance of the conditions of Corporate Governance by **M/s. Nath Pulp and Paper Mills Ltd.** for the year ended 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R. B. Sharma & Co.  
Chartered Accountants  
FRN 109971W**

**Place: Aurangabad  
Date: 30/05/2016**

**CA Umesh Sharma M. No. 104605  
[Partner]**



**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification  
To  
The Board of Directors of  
Nath Pulp & Paper Mills Limited**

Dear Sirs,

**SUB: CEO/CFO CERTIFICATE  
(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)**

I, Akash Kagliwal, Whole-time Director of Nath Pulp & Paper Mills Limited, to the best of our knowledge and belief, certify that, we have reviewed the financial statements, read with cash flow statement of Nath Pulp & Paper Mills Limited, for the year ended 31<sup>st</sup> Mach 2016 and that to the best of our knowledge and belief, we state that:

- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
- ii. These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company if any, and the steps taken or propose to be taken for rectifying him deficiencies.

We have indicated to the auditors and the Audit Committee:

- i. That there are no significant changes in internal control over the financial reporting during the year
- ii. Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. That there are no frauds of which we have become aware and the involvement therein, if any of the management or an employee

**For an on behalf of the Board of Directors**

**Place : Aurangabad  
Dated : 31<sup>st</sup> August,2016**

**Akash Kagliwal  
Whole Time Director**

**DIN No: 01691724**

**DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

In accordance with Sub Clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I Akash Kagliwal, Whole Time Director of the Company hereby confirm that the Board of Members and the senior management of the Company have affirmed compliance with the Company's Code of Conduct for the financial Year ended 31<sup>st</sup> March, 2016.

**For an on behalf of the Board of Directors**

**Place: Aurangabad  
Dated 31<sup>st</sup> August, 2016**

**Akash Kagliwal  
Whole time Director  
DIN No: 01691724**



**Annexure III to Directors' Report  
Management Discussion and Analysis Report**

**Industry Structure and Development:**

There are 700-800 paper mills (organized & unorganized sector) in the Country based on wood, agri residue and waste paper as basic raw material.

Your company is one of the well known Paper Mills engaged in the manufacture of High Strength Core board and Thermal grade papers in India. The company has state-of-the-art facilities to manufacture various grades of papers ranging from 220 GSM to 600 GSM. The company is strategically located at Paithan in the state of Maharashtra having necessary infrastructure facilities.

The company has a dedicated, technical and competent marketing team along with innovative marketing strategies; the company is looking forward to capture a major chunk of the market share in Thermal grade Paper. Over the years, Company has focused on stringent quality measures, which help to meet all our customers' needs. Our focus on quality has helped us building strong relationship with customers and eliminated supplementary costs. With a dedicated and competent human capital at its disposal, Company is confident of expanding its presence in the paper Industry.

**Opportunities and Threats:**

The company has adequate infrastructure facilities such as land and uninterrupted supply of water and power. Apart from this, company has the flexibility to manufacture various grades of core board and thermal grade of paper, which gives the company a distinct competitive advantage.

Your company expects the competition to grow in years to come. The company continues to face challenges on account of ever escalating cost of inputs. Devaluation of rupee has created further pressure on cost of inputs. Your company is committed to meet these challenges by improving productivity and innovating processes to achieve reduction in production cost. The capital investment being made for increasing production capacities would also help your company in maintaining its cost leadership.

**Review of Performance:**

During the year the Company's Sales and other income aggregated to ₹ 8796.42 Lacs. Net Loss stood at ₹ 98.89 lacs. During the year Company has developed Premium grade Kraft Paper of higher ply bond and Thermal Paper in larger grammage, which have been well accepted in the market. Your Company's endeavor is to enhance its market share in this segment.

**Outlook, Risk and Concern Management perceives:**

The paper industry is cyclical in nature and its performance depends on the global pulp and paper demand supply situation. The industry is presently witnessing slowdown in demand. The Company has well-diversified product portfolio which insulates it from the cyclical impact to some extent. However, given the growth potential, outlook for company's products looks promising.

**Internal Control Systems and their Adequacy**

The Company has adequate system of internal control to safeguard and protect from loss, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the management. The company is following applicable Accounting Standards for maintaining the books of accounts and reporting financial statements. Company is in process to appoint an independent firm of Chartered Accountants for conducting Internal Audit.

**Human Resource Development / Industrial Relations**

The Company has drawn specific programme to improve the skill of the workers so as to rationalize the manpower. Further it is providing necessary training to the manpower. There is a continuous interaction between the management, union and workers.

**Cautionary Statement**

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to economic conditions, government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance in future. Therefore, the actual results may materially differ from those expressed or implied in the report.

**For and on behalf of the Board**

**Akash Kagliwal  
Whole time Director  
DIN No: 01691724**

**Place: Aurangabad  
Date: 31<sup>st</sup> August, 2016**

**Annexure IV forming part of the Directors' Report****FORM NO. MR -3****Secretarial Audit Report**

(For the period from 01.04.2015 to 31.03.2016)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Nath Pulp and Paper Mills Limited.

CIN: L21100MH1975PLC018289

Regd. Office: Nath House Nath Road Aurangabad - 431005

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nath Pulp and Paper Mills Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minutes book,, forms and returns filed and other records maintained by the Company and also the information provided by the Company,, its officers,, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion,, the Company has, during the audit period ended on 31.03.2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism, except for some provisions which are outlined in this report, in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Nath Pulp and Paper Mills Limited ("The Company")** for the year ended on 31.03.2016 according to the provisions of:
  - I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
  - II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made there under;
  - III. The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent applicable;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company.
    - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable**
    - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable.**
    - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients. **M/s Bigshare Services Pvt. Ltd., E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri(E), Mumbai - 400 072 is the Authorized R & T of the company as per the agreement executed by the company.**
    - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable.**
    - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable.**
    - g. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable.**
    - h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable.**
    - i. The Company has generally complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and Ahmedabad Stock Exchange Limited; and
    - k. The Memorandum and Articles of Association.

**Other Laws applicable to the Company are:**

- i. The Sick Industrial Companies (SICA) Act, 1985
- ii. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest(SARFAESI) Act, 2002
- iii. The Factories Act, 1948
- iv. The Minimum Wages Act, 1948
- v. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- vi. The Payment of Bonus Act, 1965
- vii. The Payment of Gratuity Act, 1972

- viii. The Contract Labour( Regulation and Abolition) Act, 1970
- ix. The Maternity Benefits Act, 1961
- x. The Income Tax Act, 1961
- xi. The Maharashtra Value Added Tax, 2002
- xii. The Central Excise Act, 1944
- xiii. The Customs Act, 1962
- xiv. The Finance Act, 1994 (Service Tax as amended)
- xv. The Central Sales Tax Act, 1956
- xvi. The Water Prevention and Control of Pollution Act, 1978.

**2. I further report that the Company has, in my opinion, complied with the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs time to time and the Memorandum and Articles of Association of the Company, with regard to:**

- a. Maintenance of various statutory registers and documents and making necessary entries therein;
- b. Closure of the Register of Members.
- c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d. Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. Notice of Board meetings and Committee meetings of Directors;
- f. The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g. The Annual General Meeting is held on 30<sup>th</sup> September, 2015;
- h. Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i. Approval of the members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- j. Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole time Directors;
- k. Payment of remuneration to Directors including the Managing Director and Whole time Directors,
- l. Appointment and remuneration of Auditors and Cost Auditors;
- m. Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares; **Not Applicable**
- n. Declaration and payment of dividends; **Not Applicable**
- o. Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs; **Not Applicable**
- p. Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q. Investment of the Company's funds including investments and loans to others; explained in 8(d) below;
- r. Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s. Contracts, common seal, registered office and publication of name of the Company; and
- t. Generally, all other applicable provisions of the Act and the Rules made under the Act.

**3. I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for a meaningful participation at the meeting.

- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

The Company has obtained all necessary approvals under the various provisions of the Act; .No prosecution proceedings were initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

- 4. I further report that**, the status of the Company during the financial year under review is that of a listed Company and a Sick Industrial Unit under the provisions of Sick Industrial Companies Special Provisions Act ,1985.
- 5. I further report that**, compliance with applicable Financial Laws including Direct and Indirect Tax laws by the company has not been reviewed in this Audit, since the same has been subject to review by Statutory Auditors and other designated professionals.
- 6. I further report that**, based on the information received and records maintained, there are adequate systems and processes in place in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- 7. during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:**
  - a) As per section 203 of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, it is mandatory to appoint company secretary in whole time employment as Key Managerial Personnel. The Company has not appointed the same till date ; however, the company is making concerted efforts to identify a suitable candidate.
  - b) A listed company has to mandatorily constitute a Corporate Social Responsibility Committee. However, it is explained that, in view of continuing losses, the said committee has not been constituted.
  - c) Company is in the process of implementing systems to comply with the requirements of the Secretarial Standards issued by The Institute of Company Secretaries of India
  - d) The company has not, complied with the provisions of Section 186 of the Companies Act 2013.

**For Girish Bhandare & Associates  
Company Secretaries**

**Girish Bhandare  
Proprietor M. No. 30505 & CP 11092  
Place: Aurangabad  
Date: 29.06.2016**

**“ANNEXURE A”**

**To,  
The Board of Directors  
Nath Pulp and Paper Mills Limited  
CIN: L21100MH1975PLC018289  
Regd. Office: Nath House Nath Road Aurangabad - 431005**

**Our report of even date is to be read along with this letter.**

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, i have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Girish Bhandare & Associates  
Company Secretaries**

**Girish Bhandare  
Proprietor M. No. 30505 & CP 11092  
Place: Aurangabad  
Date: 29.06.2016**



**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To,  
The Members  
Nath Pulp and Paper Mills Ltd. Aurangabad**

We have examined the compliance of the conditions of Corporate Governance by **M/s. Nath Pulp and Paper Mills Ltd.** for the year ended 31<sup>st</sup> March, 2016 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R. B. Sharma & Co.  
Chartered Accountants  
F.R. No. 109971W**

**Place: Aurangabad  
Date: 30/05/2016**

**CA Umesh Sharma M.No.104605  
[Partner]**



**INDEPENDENT AUDITORS' REPORT**

**TO,  
THE MEMBERS OF,  
NATH PULP AND PAPER MILLS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **NATH PULP AND PAPER MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes valuating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Basis for qualified opinion**

- (a) The accumulated losses of the Company exceed its net worth. The financial statements have, however, been prepared by the management on a going concern basis, as explained in Note No. 27.11 of notes on financial statements. Should, however, the Company be unable to continue as a going concern, the extent of effect of the resultant adjustments on the assets and liabilities as at the end of the year and profit after exceptional items, for the year has not been ascertained presently.
- (b) In respect of inter-corporate Loans / Advances, prima-facie, the company has not complied with section 186 of the Act, in as much as these are interest free loans for which approval of the financial institutions has not been obtained (Refer Note No. 27.09 of notes on financial statements). Maximum amount outstanding during the year ₹ 27,184,055 (as at 31<sup>st</sup> March 2015 ₹ 19,977,545) and amount outstanding as at the close of the year ₹ 4,549,976 (as at 31<sup>st</sup> March 2015 ₹ 19,284,743)
- (c) Default made by the Company in repayment of installments to Financial Institutions and the right to revoke the concessions granted under the BIFR scheme and non-provision of liability on account of interest/premium. Refer note no. 27.14.
- (d) Recognition of overdue payment of the financial institutions as on 31<sup>st</sup> March, 2016 as Long term borrowings instead of current liabilities as required under Schedule III.



- (e) We are unable to express an opinion as to when and to what extent the Deferred Tax Assets recognized of ₹ 138,539,331 would reverse, as there is no virtual certainty as contemplated in Accounting Standard (AS) 22 of "Account for Taxes on Income" issued by Companies (Accounting Standard) Rules, 2006.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in Terms of sub section (11) of section 143 of the Act, we give in the Annexure A, a statement of the matters specified in the paragraph 3 and 4 of the order.
- 2) As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
  - (f) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
  - (h) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements –Refer Note 27.01 to the financial statements;

**For R. B. Sharma & Co.**  
**Chartered Accountants**  
**F. R. No. 109971W**

**Place: Aurangabad**  
**Date: - 30/05/2016**

**CA Umesh Sharma M. No. 104605**  
**[Partner]**

**Annexure A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of **NATH PULP AND PAPER MILLS LIMITED** ("the Company") for the year Ended on 31<sup>st</sup> March 2016. We report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification;
- (iii) The company has granted interest free unsecured loans to 2 bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
  - a) In our opinion the terms and conditions on which the loans had been granted to the bodies corporates listed in the register maintained under section 189 of the Act were not, prima facie prejudicial to the interest of the Company.
  - b) In the case of the loans granted to the bodies corporates listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal and interest as stipulated.
  - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investment made.
- (v) The company has not accepted any deposits from the public. Hence this clause is not applicable.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the order of the Central Government under sub-section (1) of section 148 of the Companies Act and are the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The company is regular in depositing Custom Duty, Excise Duty and other applicable Cesses. The company is not regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax and any other statutory dues with the appropriate authorities. However, there are statutory dues outstanding as at the last day of the financial year concerned for a period of more than six months Rs. 65,096 for Employees Contribution to Provident Fund, Rs. 66,614 for Employer's Contribution to Provident Fund and Profession Tax Rs. 39,752 from the date they became payable.
- (b) According to the records of the company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except the followings:

Particulars	Forum where the dispute is pending	Amount ₹	Period to which the Amount Relates
Sales Tax	Joint Commissioner of Sales Tax (Appeal) Aurangabad.	7,353,940	1989-1990
		2,568,662	1990-1991
		7,444,447	1991-1992
Excise Duty	Customs, Excise & Service Tax Appellate Tribunal Mumbai.	3,244,508	2006-2007

- (viii) The Company has received sanctioned Rehabilitation scheme by Hon'ble BIFR vide sanction order dt. 14/02/12. The Company has also received sanction of Modified Rehabilitation Scheme by Hon'ble BIFR on 01<sup>st</sup> July, 2013. Considering the same, the Company has defaulted as at the year-end in repayment of dues to financial institutions. Reference is invited to Note No. 3 and 27.14 of notes to financial statements.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
- (x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act.
- (xii) As the Company is not a Nidhi company, the provisions of the Nidhi Rules is not applicable to the Company.

- (xiii) All transaction with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013. The details have been disclosed in the Financial Statements etc. as required by the Accounting Standard.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R. B. Sharma & Co.**  
**Chartered Accountants FRN 109971W**

**Place: Aurangabad**  
**Date: - 30/05/2016**

**CA Umesh Sharma M. No. 104605**  
**[Partner]**

#### **Annexure- B to the Auditors' Report**

#### **Report on the Internal Financial Control under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial control over financial reporting of NATH PULP AND PAPER MILLS LIMITED ("the Company") as of 31<sup>st</sup> March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence of company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical

requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial, reporting includes those. policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted- accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or

timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected' Also, projections of future evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Qualified opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2016:

- a) The Company's internal financial controls over the reconciliation of financial institutions liabilities, credit evaluation, provisioning of interest and expenses thereof, were not operating effectively which could potentially result in the Company recognizing revenue without establishing reasonable certainty of ultimate repayment of liabilities.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31 ,2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants of India", and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, of the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016. We have considered the material weaknesses indentified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 financial statements of the Company, and these material weaknesses does not affect our opinion on the financial statements of the Company.

**R. B. Sharma & Co.**  
**Chartered Accountants**  
**F.R.N. 109971W**

**CA Umesh Sharma M.No. 104605**  
**Partner**  
**Date: 30/05/2016**  
**Place Aurangabad**

**Balance Sheet as at 31<sup>ST</sup> March, 2016**

Particulars	Note No	As at 31 <sup>st</sup> March, 2016 ₹	As at 31 <sup>st</sup> March, 2015 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
(a) Share capital	1	90,000,000	90,000,000
(b) Reserves and surplus	2	(69,284,065)	(59,264,317)
		<b>20,715,935</b>	<b>30,735,683</b>
<b>2) Non-current liabilities</b>			
(a) Long-term borrowings	3	250,739,469	279,091,770
(b) Long-term provisions	4	25,271,756	24,667,028
		<b>276,011,225</b>	<b>303,758,798</b>
<b>3) Current liabilities</b>			
(a) Short-term borrowings	5	79,482,558	52,630,639
(b) Trade payables	6	129,386,740	106,917,149
(c) Other current liabilities	7	42,063,852	35,480,840
(d) Short-term provisions	8	5,472,019	4,795,369
		<b>256,405,170</b>	<b>199,823,997</b>
<b>4) Total (1+2+3)</b>		<b>553,132,329</b>	<b>534,318,479</b>
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	124,338,166	119,500,012
(ii) Capital work-in-progress		1,911,195	1,911,195
		<b>126,249,361</b>	<b>121,411,207</b>
(b) Deferred tax assets (net)		138,539,331	147,963,703
(c) Long-term loans and advances	10	52,234,715	43,976,743
(d) Other non-current assets	11	11,802,897	11,802,897
		<b>202,576,943</b>	<b>203,743,343</b>
<b>2) Current assets</b>			
(a) Inventories	12	85,220,440	102,890,806
(b) Trade receivables	13	111,858,485	51,972,160
(c) Cash and cash equivalents	14	5,503,766	3,804,982
(d) Short-term loans and advances	15	21,723,334	50,495,981
		<b>224,306,025</b>	<b>209,163,929</b>
<b>3) Total (1+2)</b>		<b>553,132,329</b>	<b>534,318,479</b>
<b>Notes on Financial Statements</b>	1 to 29		

As per our Report of even date

For R. B. Sharma &amp; Co.

Chartered Accountants

F. R. No. 109971W

For and on Behalf of the Board of Directors

CA Umesh Sharma M.No. 104605

Partner

Place: Aurangabad

Date: 30<sup>th</sup> May, 2016

Akash Kagliwal

Whole time Director

DIN:01691724

S.S. Agrawal

Director

DIN:00119681

**Statement of Profit and Loss for the Year Ended 31<sup>ST</sup> March, 2016**

Particulars	Note No	For the year ended 31 <sup>st</sup> March, 2016₹	For the year ended 31 <sup>st</sup> March, 2015₹
1) Revenue from Operations (Gross)	16	937,675,463	1,014,242,286
Less: Excise Duty		62,550,873	69,376,535
Revenue from operations (Net)		875,124,590	944,865,751
2) Other Income	17	4,517,062	13,701,510
3) Total Revenue (1+2)		<b>879,641,652</b>	<b>958,567,261</b>
4) Expenses			
Cost of Material Consumed	18	601,660,128	623,846,180
Manufacturing and Operating Cost	19	211,069,854	194,713,470
Changes in Inventories of Finished Goods, Work in Progress	20	(30,920,317)	21,534,634
Employee Benefits Expenses	21	58,527,166	52,991,126
Finance Cost	22	4,758,870	5,062,574
Depreciation and Amortizations Expenses	9	9,049,792	7,412,908
Other Expenses	23	21,341,533	17,979,449
5) Total Expenses		<b>875,487,025</b>	<b>923,540,341</b>
6) Prior Period Items	24	4,618,789	3,621,283
7) Profit / (Loss) before Tax (3-5-6)		<b>(464,162)</b>	<b>31,405,637</b>
8) Tax Expenses			
Deferred Tax		9,424,372	87,995,828
<b>9) Profit/ (Loss) for the year (7-8)</b>		<b>(9,888,534)</b>	<b>(56,590,191)</b>
Basic and Diluted Earnings per share of ₹.10 each		(1.10)	(7.36)
<b>Notes on Financial Statements</b>	1 to 29		

As per our Report of even date

**For R. B. Sharma & Co.****Chartered Accountants****F. R. No. 109971W****For and on Behalf of the Board of Directors****CA Umesh Sharma M.No. 104605  
Partner****Place: Aurangabad****Date: 30<sup>TH</sup> May, 2016****AkashKagliwal  
Whole time Director  
DIN:01691724****S.S. Agrawal  
Director  
DIN:00119681**



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016**

<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2016 ₹</b>		<b>Year ended 31<sup>st</sup> March, 2015 ₹</b>	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) before tax		(464,162)		31,405,637
<b>Adjustments for:</b>				
Depreciation and amortization	9,049,792		7,412,908	
Finance costs	4,758,870		5,062,574	
Interest income	(2,754,779)		(5,166,741)	
Liabilities/ provisions no longer required written back	(143,880)		(6,318,099)	
Sundry Balance Written off	415,483		110,444	
Other non-cash charges (Provision for Gratuity)	4,740,133	16,065,619	5,256,503	6,357,590
Operating profit/(loss) before working capital changes		<b>15,601,457</b>		<b>37,763,227</b>
<b>Changes in working capital:</b>				
<i>Adjustments for (increase)/ decrease in operating assets:</i>				
Inventories	17,670,366		(29,612,852)	
Trade receivables	(60,301,808)		56,727,466	
Short-term loans and advances	28,772,647		(11,198,462)	
Long-term loans and advances	(8,257,972)		(510,950)	
<i>Adjustments for increase / decrease in operating liabilities:</i>				
Trade payables	22,600,472		15,407,351	
Other current liabilities	6,596,012		(4,167,900)	
Short-term provisions	161,548		(747,818)	
Long-term provisions	(3,620,303)	3,620,962	(3,099,250)	<b>22,797,585</b>
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>19,222,419</b>		<b>60,560,811</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, capital advances	(14,019,160)		(12,574,622)	
Proceeds from sale of fixed assets	-		-	
Increase in Share Capital	-		80,000,000	
Interest Received - Others	2,754,779	(11,264,381)	5,166,741	72,592,119
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>(11,264,381)</b>		<b>72,592,119</b>
<b>C. Cash flow from financing activities</b>				
Repayment of long-term borrowings	(28,352,301)		(34,635,881)	
Repayment of other short-term borrowings	26,851,919		(94,083,625)	
Finance cost	(4,758,870)	(6,259,252)	(5,062,574)	(133,782,080)
Net cash flow from / (used in) financing activities (C)		(6,259,252)		(133,782,080)
Net increase/ (Decrease) in Cash and cash equivalents (A+B+C)		<b>1,698,786</b>		<b>(629,150)</b>
Cash and cash equivalents at the beginning of the year		3,804,982		4,434,132
<b>Cash and cash equivalents at the end of the year</b>		<b>5,503,766</b>		<b>3,804,982</b>
* Comprises:(a) Cash on hand	558,277		1,231,298	
(b) Balances with banks- (Current Accounts)	4,945,489	5,503,766	2,573,684	3,804,982

Note (i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement", issued by the Institute of Chartered Accountants of India.

(ii) Figures in bracket indicate outgo.

See accompanying notes forming part of the financial statements

As per our Report of even date

**For R. B. Sharma & Co.**  
**Chartered Accountants**  
**F. R.No. 109971W**

**For and on Behalf of the Board of Directors**

**CA Umesh Sharma M.No. 104605**  
**Partner**  
**Place: Aurangabad**  
**Date 30<sup>th</sup> May, 2016**

**AkashKagliwal**  
**Whole time Director**  
**DIN: 01691724**

**S.S. Agrawal**  
**Director**  
**DIN: 00119681**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**
**Note 1: SHARE CAPITAL**

Particulars	As at 31 March, 2016₹	As at 31 March, 2015₹	
<b>Authorized</b>			
35,000,000 Equity shares of ₹.10 each with voting rights	350,000,000	350,000,000	
<b>Issued, Subscribed and fully paid up</b>			
Opening balance 90,00,000 Equity shares of ₹.10 each	90,000,000	200,000,000	
Less: Reduction in Equity Shares by 95% on 30.05.2014 as per order by Hon'ble Board of Industrial Finance & Reconstruction (BIFR) D	-	190,000,000	
Add: Preferential Allotment as per BIFR Order Refer Note no 28.12	-	80,000,000	
Closing Balance 9,000,000 Equity Shares of ₹ 10 each	<b>90,000,000</b>	<b>900,000,000</b>	
<b>Details of shares held by each shareholder holding more than 5% shares: Equity shares with voting rights</b>			
ARC Trust % of holding in that class of Shares	22.22	20,00,000	20,00,000
Tapovan Paper & Board Mills Ltd % of holding in that class	22.22	20,00,000	20,00,000
Akash Farms Pvt Ltd % of holding in that class	22.22	20,00,000	20,00,000
Ashu Farms Pvt Ltd % of holding in that class	22.22	20,00,000	20,00,000

**Note 2: RESERVES AND SURPLUS**

<b>Revaluation reserve</b>		
Opening balance	41,530,934	41,672,495
Less: Transferred to Profit & Loss Account	131,214	141,561
<b>Closing balance</b>	<b>41,399,720</b>	<b>41,530,934</b>
<b>Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(100,795,251)	(208,277,160)
Add: Reduction in Equity Shares by 95% on 30.05.2014 as per order by Hon'ble Board of Industrial Finance & Reconstruction (BIFR)	-	190,000,000
Less: Retained Earning on Fixed Assets (Companies Act, 2013) Refer Note No 28.12	-	(25,927,900)
Less: Profit for the financial year	(9,888,534)	(56,590,191)
<b>Closing balance</b>	<b>(110,683,785)</b>	<b>(100,795,251)</b>
<b>Total</b>	<b>(69,284,065)</b>	<b>(59,264,317)</b>

**Note 3: LONG TERM BORROWINGS**

<b>(a) Term Loan</b>		
<b>Secured</b>		
(1) ARC Trust	64,910,000	104,910,000
(2) Industrial Finance Corporation Ltd (IFCI)	5,053,388	6,554,733
i) Term loans are secured by way of first charge on movable and immovable properties of the Company including its movable plant & Machinery, Spares Tools and accessories and other movables, both present and future (Save and except books debts) Land situated at Village Wahegaon and Issarwadi, PaithanDist Aurangabad, Maharashtra and collaterally secured by mortgage of certain plots of land belonging to a group company and relatives of a director.		
ii) First charge by way of hypothecation of entire current Assets, book debts, both present and future, of the Company.		
iii) Secured by mortgage of certain land and building.		
iv) Secured by personal guarantee by a Promoter of the Company.		
v) Refer Note No. 27.15 for repayment schedule and overdue as on 31 <sup>st</sup> March 2016.		
<b>Sub Total</b>	<b>69,963,388</b>	<b>111,464,733</b>
<b>(b) Deferred payment liabilities</b>		
<b>Unsecured</b>		
Deferred Sales Tax Liabilities (Refer Note No. 27.13)	180,776,081	167,627,037
<b>Sub Total</b>	<b>180,776,081</b>	<b>167,627,037</b>
<b>Total</b>	<b>250,739,469</b>	<b>279,091,770</b>



**Note 4: LONG TERM PROVISIONS**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Provision for employee benefits:		
Provision for gratuity (net) (Refer Note 28.01)	22,079,978	21,439,628
Provision for other employee benefits (Leave Encashment)	3,191,778	3,227,400
<b>Total</b>	<b>25,271,756</b>	<b>24,667,028</b>

**Note 5: SHORT TERM BORROWINGS**

<b>Unsecured</b>		
Loans repayable on demand	1,401,418	1,902,720
Loans and advances from related parties (Refer Note 28.02)	8,080,882	4,457,331
Other Loan and advances	70,000,258	46,270,589
<b>Total</b>	<b>79,482,558</b>	<b>52,630,639</b>

**Note 6: TRADE PAYABLE**

Micro, Small and Medium Enterprises	-	168,497
Others	129,386,740	106,748,652
<b>Total</b>	<b>129,386,740</b>	<b>106,917,149</b>

**Note 7: OTHER CURRENT LIABILITIES**

<b>a) Current Maturities of Long Tern Debts</b>		
<b>2) Term Loan</b>		
<b>Secured</b>		
Industrial Finance Corporation Ltd (IFCII)(Refer Note No. 3(a)(2))	2,050,000	2,050,000
<b>Unsecured</b>		
Maharashtra State Financial Corporation Ltd(MSFC) (Refer Note No. 3(a)(3))	-	4,800,000
<b>Sub Total</b>	<b>2,050,000</b>	<b>6,850,000</b>
<b>(c) Other payables</b>		
Statutory remittances (Contributions to PF, Withholding Taxes, Excise Duty, VAT, Service Tax etc.)	5,736,114	3,616,455
Trade / security deposits received	6,947,598	7,611,786
Advances from customers	3,742,816	5,859,093
Others	23,587,324	11,543,507
<b>Sub Total</b>	<b>40,013,852</b>	<b>28,630,841</b>
<b>Total</b>	<b>42,063,852</b>	<b>35,480,840</b>

**Note 8: SHORT TERM PROVISIONS**

<b>Provision for employee benefits:</b>		
Provision for bonus	1,635,450	1,475,902
Provision for Gratuity	3,327,883	2,802,180
Provision for Leave Entitlement	508,686	519,287
<b>Total</b>	<b>5,472,019</b>	<b>4,795,369</b>



**Note 9: TANGIBLE ASSETS**

Tangible Assets	Gross Block				Depreciation				Net Block	
	Balance as at 1 April, 2015 ₹	Additions ₹	Retained Earnings/ Deduction ₹	Balance as at 31 March, 2016 ₹	Balance as at 1 April, 2015 ₹	Depreciation / Amortisation expense for the year ₹	Deductions ₹	Balance as at 31 March, 2016 ₹	Balance as at 31 March, 2016 ₹	Balance as at 31 March, 2015 ₹
1	2	3	4	5=(2+3-4)	6	7	8	9=(6+7-8)	10	11
<b>Own Assets</b>										
Free hold Land	38,739,571	-	-	38,739,571	-	-	-	-	38,739,571	38,769,570
Buildings	185,609,704	-	-	185,609,704	164,516,862	1,528,586	-	166,045,448	19,564,256	2,1092,842
Plant & Equipment	1,340,780,972	13,879,311	-	1,354,660,283	128,189,976	7,342,745	-	128,924,0721	65,419,562	58,882,996
Office Equipments	3,597,933	73,046	-	3,670,979	3,255,415	120,092	-	3,375,507	295,472	342,518
Computers	1,454,064	66,803	-	1,520,867	1,262,784	118,514	-	1,381,298	139,569	191,280
Vehicles	586,343	-	-	586,343	525,379	26,411	-	551,800	34,543	60,954
Furniture & Fixtures	3,861,023	-	-	3,861,023	3,671,171	44,658	-	3,715,829	145,194	189,852
<b>Sub Total</b>	<b>1,574,629,610</b>	<b>14,019,160</b>	<b>-</b>	<b>1,588,648,770</b>	<b>1,455,129,597</b>	<b>9,181,006</b>	<b>-</b>	<b>1,464,310,603</b>	<b>124,338,166</b>	<b>119,500,012</b>
<b>Capital Work in Progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,911,195</b>	<b>1,911,195</b>
<b>Total</b>	<b>1,574,629,610</b>	<b>14,019,160</b>	<b>-</b>	<b>1,588,648,770</b>	<b>1,455,129,597</b>	<b>9,181,006</b>	<b>-</b>	<b>1,464,310,603</b>	<b>126,249,361</b>	<b>121,411,207</b>

Particulars	For the Year ended March, 31 <sup>st</sup> 2015 ₹	For the year ended March, 31 <sup>st</sup> 2016 ₹
Depreciation and amortization for the year on tangible assets	7,554,469	9,181,006
Less: Utilised from Revaluation Reserve	141,561	131,214
<b>Depreciation and Amortization</b>	<b>7,412,908</b>	<b>9,049,792</b>

**Note 10: LONG TERM LOANS AND ADVANCES**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Unsecured, Considered good</b>		
Deposit with government authorities & others	38,785,342	38,785,442
VAT credit receivable	11,328,897	3,223,458
TDS/TCS Credit receivable	2,148,476	1,967,843
<b>Total</b>	<b>52,234,715</b>	<b>43,976,743</b>

**Note 11: OTHER NON CURRENT ASSETS**

Electricity Duty Refund Receivable	1,333,868	1,333,868
Additional Supply Charges Receivable	10,469,029	10,469,029
<b>Total</b>	<b>11,802,897</b>	<b>11,802,897</b>

**Note 12: INVENTORIES**

Stores and Spares	16,725,199	17,096,138
Packing Material	1,097,593	1,766,673
Fuel	11,248,817	14,418,675
Raw Material	11,160,242	53,463,118
Dyes & Chemicals	6,174,503	7,944,793
Work in Process	1,389,768	-
Finished Goods	33,924,312	4,458,697
Stock In Transit	3,231,617	2,544,371
Scrap and Other material	268,389	203,455
<b>Total (A)</b>	<b>85,220,440</b>	<b>101,895,920</b>
<b>Traded Goods</b>		
Opening Stock	994,886	994,886
Less Sold	994,886	-
<b>Traded Goods (B)</b>	<b>-</b>	<b>994,886</b>
<b>Grand Total</b>	<b>85,220,440</b>	<b>102,890,806</b>

**Note 13: TRADE RECEIVABLES**

<b>Trade receivables outstanding for a period exceeding six months from the date they were due for payment</b>		
Secured, considered good	1,042,281	826,470
Unsecured, considered good	7,598,506	5,447,076
Doubtful	6,548,867	6,548,867
	15,189,654	12,822,413
Less: Provision for doubtful trade receivables	6,548,867	6,548,867
<b>Sub Total</b>	<b>8,640,787</b>	<b>6,273,546</b>
Other Trade receivables		
Secured, considered good	3,449,457	1,278,890
Unsecured, considered good	99,768,241	44,419,725
<b>Sub Total</b>	<b>103,217,698</b>	<b>45,698,615</b>
<b>Total</b>	<b>111,858,485</b>	<b>51,972,160</b>

**Note 14: CASH AND CASH EQUIVALENTS**

Cash on hand	558,277	1,231,298
Balance with banks - In current accounts	4,945,489	2,573,684
<b>Total</b>	<b>5,503,766</b>	<b>3,804,982</b>

**Note 15: SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Unsecured considered goods unless otherwise stated		
Loan and advances to related parties (Refer Note 28.02)	-	13,376,573
Loan and Advance to Employees	377,722	271,378
Prepaid Expenses	278,030	294,069
Balance with Govt. Authorities	4,119,746	8,998,398
Others	16,947,836	27,555,563
<b>Total</b>	<b>21,723,334</b>	<b>50,495,981</b>

**Note 16: REVENUE FROM OPERATIONS**

<b>Sale of Products</b>		
<b>a) Manufactured goods</b>		
Paper & paper Board	931,018,709	1,007,067,784
<b>Other operating revenues</b>		
Sale of scrap (Inclusive of obsolete Plant & Machinery)	5,119,689	7,174,502
<b>Sub Total</b>	<b>936,138,398</b>	<b>1,014,242,286</b>
Less: Excise duty	62,550,873	69,376,535
<b>Total (A)</b>	<b>873,587,525</b>	<b>944,865,751</b>
<b>b) Traded Goods</b>		
Opening Stock	994,886	994,886
Add: Purchase	16,440,035	-
<b>Sub Total</b>	<b>17,434,921</b>	<b>994,886</b>
Trading Sales	18,971,986	-
Closing Stock	-	994,886
<b>Total (B)</b>	<b>1,537,065</b>	<b>-</b>
<b>Revenue From Operation</b>	<b>875,124,590</b>	<b>944,865,751</b>

**Note 17: OTHER INCOME**

Interest income (Interest on overdue trade receivables)	2,754,779	5,166,741
Liabilities / provisions no longer required written back	143,880	6,318,099
Miscellaneous income	1,618,403	2,216,671
<b>Total</b>	<b>4,517,062</b>	<b>13,701,510</b>

**Note 18: COST OF MATERIAL CONSUMED**

Opening stock	61,407,911	23,655,853
Add: Purchases (Raw Material & Chemicals)	557,586,962	661,598,238
Less: Closing stock	17,334,745	61,407,911
<b>Cost of material consumed</b>	<b>601,660,128</b>	<b>623,846,180</b>

**Note 19: MANUFACTURING AND OPERATING COST**

Consumption of Stores & Spares	22,375,871	20,708,693
Consumption of Packing Material	5,911,635	9,309,074
Consumption of Fuel	96,434,468	78,904,754
Power Consumed	69,762,454	66,156,834
Water Charges	1,806,221	2,329,248
Freight and Forwarding	3,288,065	5,788,476
Other Manufacturing Expenses	11,491,140	11,516,391
<b>Total</b>	<b>211,069,854</b>	<b>194,713,470</b>

**Note 20: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-PROCESS & STOCK-IN-TRADE**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Inventories at the end of the year:</b>		
Finished goods	33,924,312	4,458,697
Stock-in process	1,389,768	-
Scrap & Other Material	268,389	203,455
<b>Total</b>	<b>35,582,469</b>	<b>4,662,152</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	4,458,697	23,890,800
Stock-in process	-	1,814,492
Scrap & Other Material	203,455	491,494
<b>Total</b>	<b>4,662,152</b>	<b>26,196,786</b>
<b>Net (increase) / decrease</b>	<b>(30,920,317)</b>	<b>21,534,634</b>

**Note 21: EMPLOYEE BENEFITS EXPENSES**

Salaries and wages	5,4632,253	49,481,716
Contributions to provident and other funds	3,134,229	2,762,043
Staff welfare expenses	760,684	747,367
<b>Total</b>	<b>58,527,166</b>	<b>52,991,126</b>

**Note 22: FINANCE COST**

Interest expense on:		
Borrowings	4,204,498	4,550,246
Interest on security Deposit	554,372	512,328
<b>Total</b>	<b>4,758,870</b>	<b>5,062,574</b>

**Note 23: OTHER EXPENSES**

Increase / (decrease) of excise duty on inventory	1,660,619	478,304
Lease rentals	957,104	289,731
Repairs others	4,524,306	2,041,168
Rates and taxes	1,123,849	1,668,052
Communication	404,413	357,196
Printing & Stationery	409,602	296,762
Sales Discounts	1,991,503	1,752,022
Business promotion	306,285	275,307
Payments to Auditors – Statutory Audit	200,000	150,000
Travelling & Conveyance	3,594,832	2,573,484
Legal & Professional	998,687	3,987,635
Miscellaneous Expenses	2,343,860	1,472,198
Sundry Debit Balance Written Off	415,483	110,444
Office Expenses	2,410,989	2,527,146
<b>Total</b>	<b>21,341,533</b>	<b>17,979,449</b>

**Note 24: PRIOR PERIOD ITEMS**

<b>Prior Period Expenses</b>		
Gratuity for earlier year	3,356,313	1,390,628
Leave Entitlement of earlier year	-	544,408
Miscellaneous Expenses	2,200,819	1,727,972
<b>Sub Total</b>	<b>5,557,132</b>	<b>3,663,008</b>
<b>Prior Period Income</b>		
Miscellaneous Income	938,344	41,725
<b>Sub Total</b>	<b>938,344</b>	<b>41,725</b>
<b>Total</b>	<b>4,618,789</b>	<b>3,621,283</b>

**Notes forming part of the financial statements****NOTE 25: CORPORATE INFORMATION:**

The company is registered with the Registrar of Companies, Maharashtra State, Mumbai vide Registration. No. L2100MH1975PLC018289 dated 10/04/1975 under the Companies Act, 1956 (No.1 of 1956). The registered office of the Company is situated at Nath House, Nath Road, Aurangabad. The Company is the leading producer of high strength core board and Thermal grade paper used by text tube manufacturers.

**NOTE 26: SIGNIFICANT ACCOUNTING POLICIES:****A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

These financial statements are prepared on historical cost basis (except for revaluation of certain fixed assets) in accordance with applicable Accounting Standards notified under the relevant provision of the Companies Act, 2013 and on the accounting principles of a going concern. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to The Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. The financial statements are presented in Indian rupees.

**B. USE OF ESTIMATES:**

The preparation of financial statements are in conformity with Indian GAAP requires Board of Directors to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**C. INVENTORIES:**

Items of inventories are valued at lower of the cost and net realizable value. Cost is assigned on moving weighted average basis. Obsolete, defective and unserviceable stocks are provided for, if any. Cost of work-in-progress and finished goods include material cost and appropriate share of manufacturing overheads. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

**D. REVENUE RECOGNITION:****i) Products:**

Revenue from sale of goods is recognized when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Sales are net of sales returns, trade and other discounts, sales taxes and excise duties.

**ii) Services:**

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue from services is recognized on completion of services.

**iii) Other Income:**

Interest is recognized using the time-proportion method, based on rates implicit in the transaction.

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided and provisions made for goods lying in bonded warehouses.

**E. FIXED ASSETS AND DEPRECIATION:**

Fixed Assets are stated at cost except Land, Building certain Plant & Machinery which were revalued on 30th June, 1994 and are stated at revalued cost less depreciation, wherever applicable. Depreciation on assets is provided on Written down Value method as per useful life and in the manner specified in Schedule II to the Companies Act, 2013.

Depreciation on machinery spares of the nature of capital spares and having irregular use is provided prospectively over a period, not exceeding the useful life of the asset to which they relate. Depreciation on Fixed Assets added / disposed of during the year, is provided for on pro-rata basis with reference to the date of addition / disposal / discarding.

**F. CAPITAL WORK-IN-PROGRESS:**

Expenditure related to and incurred during implementation of expansion cum modernization projects are included under Capital Work-in-Progress and the same are capitalized under the appropriate heads on completion of the project.

**G. TRANSACTIONS IN FOREIGN CURRENCY:**

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets, current liabilities and borrowings denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resultant gain/loss are recognized in the Statement of Profit & Loss, except in cases where they relate to the acquisition of fixed assets in which case they are adjusted to the carrying cost of such assets.

**H. GOVERNMENT GRANTS AND SUBSIDY:**

Grants and subsidies from the government are recognized when there is reasonable assurance that (a) the company will comply with the conditions attached to them, and (b) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is reduced from the cost of the asset. Grants which are given as equity support are disclosed as promoter contribution under the head Capital Reserve.

**I. INVESTMENTS:**

- a) Investments, which are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- b) Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair value.

**J. EMPLOYEE BENEFITS:****A) Defined Contribution Plan:**

The company has defined contribution plan namely Provident Fund, administered by the Regional Provident Fund Commissioner. Regular contributions made to Provident Fund are charged to the Statement of Profit and Loss. The company has no further obligation beyond making its contribution on monthly basis.

**B) Defined Benefit Plan:**

The company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

**C) Compensated Absences:**

The employees of the company are entitled to leave as per the leave policy of the company. The liability for the compensated absences is provided on the basis of valuation, carried out by an independent actuary. Gains and losses arising out of actuarial valuations are recognized immediately in the Statement of Profit and Loss as income or expense.

**K. BORROWING COSTS:**

Borrowing cost attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the Profit & Loss Account.

**L. SEGMENT REPORTING:**

In the opinion of the management, the Company is mainly engaged in the business of manufacturing of paper. As such, there are no separate reportable segments.

**M. LEASES:****a) Finance Lease:**

Assets acquired under finance lease are capitalized and the corresponding lease liability is recognized at lower of the fair value of the leased assets and the present value of minimum lease payments at the inception of the lease. Initial costs directly attributable to lease are recognized with the asset under lease.

**b) Operating Lease:**

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments/revenue under operating leases is recognized as an expense/income on accrual basis in accordance with the respective lease agreements.

**N. EARNING PER SHARE:**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share are the net profit or loss for the period after deducting preference dividends and any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**O. INCOME TAX:**

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carry forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**P. IMPAIRMENT OF ASSETS:**

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the assets are restated to that effect.



**Q. CONTINGENT LIABILITIES / ASSETS AND PROVISIONS:**

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Contingent Liabilities under various fiscal laws include those in respect of which the Company / Department is in appeal. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities are disclosed in notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

**NOTE 27: ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**
**27.01 Contingent Liabilities and Capital Commitments (to the extent not provided for)**

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>(i) Contingent liabilities</b>		
(a) Claims against the Company not acknowledged as debts		
(i) Disputed Demands of Central Excise	5,297,335	5,568,659
(ii) Disputed demands of Sales Tax	19,817,049	19,817,049
(iii) Disputed demands of Water Cess (including interest up to the date of demand)	1,598,193	1,598,193
(iv) Disputed demand of Property Tax from Gram Panchayat	2,755,934	2,755,934
(v) Deferred sales tax Liability transferred to another Company (with recourse)	158,636,440	158,636,440
(vi) Amount of interest liability/ penalty, if any on delayed /non-deduction/ non-payments of certain creditors/ loans/ debenture trustee remuneration /statutory dues /Lease liability/ penal interest/ liquidated damages on secured /unsecured borrowings / Redeemable Bonds/ Labor related liability	Amount presently unascertainable	Amount presently unascertainable
(vii) Claims against the Company not acknowledged as debt.	850,000	850,000
(b) Guarantees	-	-
(c) Other money for which the Company is contingently liable:		
(i) Liability that may arise on account of waiver being withdrawn with retrospective effect due to default in repayment to Arc Trust.	Amount Unascertainable	Amount Unascertainable
(ii) Liability that may arise on account of non extension of Package Scheme of Incentives by eight year by Govt. of Maharashtra as per sanction order of Hon'ble BIFR dt. 14/02/12. Refer Note No. 27.15 below.	Amount presently unascertainable	Amount presently unascertainable
<b>(ii) Capital Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	2,955,914	2,955,914

27.02 Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management and relied upon by the auditors.

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Sark Alums Pvt. Ltd.	-	23,035
SJP Automobiles	-	145,462

The company has compiled the above information based on confirmations from some suppliers. As at the year end, no other supplier has intimated the company about its status as a Micro, Small & Medium Enterprises or its registration under the Micro, Small & Medium Enterprises Development Act 2006. No interest payment is likely to be made to unsecured creditors as per sanction order of Hon'ble BIFR dt. 14/02/12 and hence, no interest liability in respect of above category of creditors is provided / disclosed.

27.03 Land, certain Buildings and Plant and Machinery were revalued as on June 30, 1994 and the resultant increase in value amounting to ₹ 37,723,368 for Land, ₹17,587,749 for Buildings and ₹.66,686,621 for Plant and Machinery aggregating to ₹.121,997,738 had been transferred to Revaluation reserve . The Valuation was carried out by an external approved valuer on the basis of replacement value of similar assets after considering the obsolescence and age of individual asset.

The following revalued amounts (net of withdrawals) remain substituted for the historical cost in the gross block of Fixed Assets.

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Land	38,023,947	38,023,947
Buildings	64,916,000	64,916,000
Plant and Machinery	45,16,21,000	45,16,21,000

27.04 Value of imports calculated on CIF basis

Particulars	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
Raw materials & Chemicals (Imported & High seas Purchases)	164,062,063	190,878,910
Spare parts	Nil	Nil

27.05 Details of consumption of imported and indigenous items

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	₹	%	₹	%
<b>Imported / High seas Purchase</b>				
Raw materials & Chemicals (Imported & High seas)	218,673,072	100.00	197,412,522	100.00
	<b>218,673,072</b>	<b>100.00</b>	<b>197,412,522</b>	<b>100.00</b>
<b>Indigenous</b>				
Raw materials & Chemicals	382,987,055	94.48%	426,433,657	95.37%
Stores and Spare parts	22,375,871	5.52%	20,708,693	4.63%
	<b>405,362,926</b>	<b>100.00</b>	<b>447,142,350</b>	<b>100.00</b>

27.06 The Company is making concerted efforts to appoint a Whole time Company Secretary as required under the provisions of Section 203 of the Companies Act, 2013.

27.07 (a) The accounts of certain Debtors, Creditors / Loans given are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the profit for the year, assets and liabilities, the amounts whereof are presently not ascertainable. However, the management does not expect any material difference in the above accounts affecting the current year's financial statements.

(b) In the opinion of management, Current Assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

27.08 In the opinion of the management, the Company is mainly engaged in the business of manufacturing of paper. As such, there are no separate reportable segments.

27.09 Loans and Advances in the nature of loans where there is no repayment schedule or no interest or at an interest rate below what is specified in Section 186 of the Act.

<b>Name of the Party</b>	<b>Amount outstanding as on 31<sup>st</sup> March, 2016 ₹</b>	<b>Maximum outstanding during the year ₹</b>	<b>No of equity Shares held in the Company as on 31<sup>st</sup> March, 2016</b>	<b>Maximum no of equity shares held in the Company during the year</b>
Nath Foundation	Nil (Nil)	NIL (549,976)	Nil (Nil)	Nil (Nil)
Nath Industrial Chemicals Ltd	Nil (13,376,573)	13,376,573 (13,376,573)	Nil (Nil)	Nil (Nil)
Paithan Mega Food Park Pvt. Ltd	Nil (4,358,194)	8,757,506 (4,358,194)	Nil (Nil)	Nil (Nil)
N Kagliwal Education & Research Pvt. Ltd	15,49,976 (1,549,976)	15,49,976 (1,549,976)	Nil (Nil)	Nil (Nil)
Nath Bio-Genes (India) Ltd	Nil Nil	Nil (142,826)	Nil (Nil)	Nil (Nil)
Paresh Farms Pvt. Ltd.	30,00,000 (30,00,000)	35,00,000 (30,00,000)	Nil (Nil)	Nil (Nil)

(Figures in brackets pertain to previous year)

(i) In respect of the above parties, rate of interest is Nil.

(ii) In respect of loans/advances referred to above, in view of financial exigencies, the Company has not complied with Section 186 of the Act, in as much as these are interest free loans and approval of financial institutions has not been obtained.

27.10 i) The Company is in the process of getting its cost records audited by a cost auditor for the current financial year as required under the provisions of Section 148 of the Companies Act, 2013.

ii) During the year, Company has not appointed internal auditor as per the provisions of section 138 of the Companies Act, 2013.

27.11 The Financial Statements for the year ended 31st March, 2016 have been prepared on a "going concern basis" as the long term prospects appear better for the paper industry as also in view of the reliefs/concessions that the Company has obtained on sanction of rehabilitation package by the Board of Industrial and Financial Reconstructions (BIFR).

27.12 a) The Company had submitted Draft Rehabilitation Scheme as per the direction given (including for restructuring of Loans) by Hon'ble BIFR, vide summary of proceedings dated 28th September 2010 through its Operating Agency namely IDBI. The Hon'ble BIFR approved the scheme and passed the sanction order on dated 14th February 2012.

27.13 a) Deferred Sales Tax liability under 1988 Package Scheme of Incentives of the Government of Maharashtra is repayable in five annual installments after 10 years from the respective years, after the commencement date i.e., 1<sup>st</sup> October 2000. Hon'ble BIFR in its sanction scheme dated 14/02/12 directed to State Govt. to consider the repayment period of the deferred sales tax liability by eight years from the due date for the respective installments against the existing outstanding without charging any interest during the extended period. Decision with respect of Grant of installments for payment of Deferral Sales tax liability as directed by Hon'ble BIFR is pending with Govt. of Maharashtra; hence the contingent liability arising in the event of non-extension is not ascertainable.

- b) The company was sanctioned the limit of Rs. 74,22,77,000 under The Package Scheme Of Incentive 1988 for the period 01<sup>st</sup> November 1993 to 31<sup>st</sup> January 2009. Out of this the company has utilized the limit of Rs. 54,71,02,495 against Sales Tax payable up to 31<sup>st</sup> Jan 2009 and un-utilization of balance CQB of Rs. 19,51,74,505. Department of Industries Govt. of Maharashtra has sanctioned extension of Eligibility against un utilized CQB of Rs. 19,51,74,505 for a period of 5 years i.e. from 1<sup>st</sup> Nov-2015 to 31<sup>st</sup> Oct 2020 as per BIFR Order Dtd 14/02/2012.
- c) In accordance with modified eligibility the company has utilized Rs. 1,31,49,044 for the period 1<sup>st</sup> November 2015 to 31<sup>st</sup> March 2016 from sanctioned limit as per extended eligibility certificate vide Addenda No IX Dt. 29/02/2016 issued by Joint Director of Industries, Aurangabad Region Aurangabad.
- 27.14 Repayment Schedule, as per sanction order dt. 14/02/2012 of Hon'ble BIFR towards repayment of secured and unsecured borrowings and their overdue as on 31 March 2016 are as under:
- i) Arc-Trust: Balance as on 31 December 2008 of ₹.237,200,000 to be converted into non-convertible debentures and redeemed along with premium of ₹. 98,800,000, amounting to ₹.336,000,000 in 16 quarterly installments w.e.f 31.12.2008. In addition to this Arc Trust to subscribe 2,000,000 equity shares of ₹.10 each at par aggregating to ₹. 20,000,000. These shares have been issued in dematerialized form. There is an overdue principal amount as on 31 March 2016 of ₹.64,910,000 (Previous year ₹.104,910,000) and un -provided interest of ₹.140,450,329 (Previous year ₹.128,640,719)
- ii) IFCI: The Dues payable to IIBI have been taken over by IFCI. Hon'ble BIFR Substituted name of Industrial Investment Bank of India (IIBI) to Industrial Finance Corporation of India (IFCI) , Therefore dues payable to IIBI are now shown payable to IFCI. Repayment is to be made in 16 equal quarterly installments of ₹.512,500 per quarter along with simple interest @ 12.50% p.a. on reducing balance method w.e.f. from 14.02.12(date of sanction of scheme).There is ₹. 7,103,388 (Previous year ₹.6,554,733) overdue as on 31 March 2016.
- iii) MSFC: Repayment was scheduled in 16 equal quarterly installments of ₹.937,500 per Quarter along with simple interest @ 12.50% p.a. on reducing balance method w.e.f. from 14.02.12 (date of sanction of scheme). During the year OTS scheme granted as per letter No: .MSFC/HO/NPPML/2014-15/108, dated 5.11.2014 according to which ₹.6,000,000 payable in 15 monthly installments starting from 1.12.2014. There is ₹. Nil (previous year ₹. 4,00,000) overdue as on 31 March 2016.
- 27.15 Overdue installments of financial Institutions as on 31 March 2016 are recognized as long term Borrowings instead of current liabilities as required under Schedule III. Outstanding balances as on 31<sup>st</sup> March 2016 subject to reconciliation.

**NOTE 28: DISCLOSURES UNDER ACCOUNTING STANDARDS****28.01 Employee benefit plans:****Defined contribution plans**

The Company makes Provident Fund contribution to defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized ₹ 3,134,229 (Year ended 31<sup>st</sup> March, 2015 ₹ 2,762,043) for Provident Fund contribution in the Statement of Profit and Loss. The contribution payable to this plan by the Company is at the rates specified in the rules of the schemes.

**Defined benefit plans**

The Company offers the following employee benefit scheme to its employees:

**i Gratuity**

The following table sets out the status of the defined benefit scheme and the amount recognized in the financial statement:

Particulars	Year Ended 31 <sup>st</sup> March, 2016	Year Ended 31 <sup>st</sup> March, 2015
<b>Components of employers expenses</b>		
Current service cost	971,626	888,774
Interest cost	1,919,951	2,035,206
Actuarial losses / (gains)	1,436,362	1,268,828
Total Expenses recognized in the Statement of Profit & Loss	<b>4,327,939</b>	<b>4,192,808</b>
<b>Actual contribution and benefit payment for the year</b>		
Actual benefit payments	3,161,886	2,389,873
Actual contribution	-	-
<b>Net Asset / (Liability) recognized in the Balance Sheet</b>		
Present value of defined benefit obligation	(25,047,861)	(24,241,808)
Net Asset / (Liability) recognized in the Balance Sheet	<b>(25,407,861)</b>	<b>(24,241,808)</b>
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	24,241,808	22,438,873
Current Cost	971,626	888,774
Interest cost	1,919,951	2,035,206
Actuarial (gain) / loss	1,436,362	1,268,828
Benefits paid	(3,161,886)	(2,389,873)
Present value of DBO at the end of the year	<b>(25,407,861)</b>	<b>(24,241,808)</b>
<b>Actuarial assumptions</b>		
Discount Rate	7.92%	7.92%
Salary escalation	7.00%	7.00%
Attrition	2.00%	2.00%
Mortality tables	LIC 1994-96 (Ultimate)	LIC 1994-96 (Ultimate)
The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.		
The estimate of future salary increased considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		
<b>Experience Adjustments</b>		
Gratuity present value of DOB	25,407,861	24,241,803
Experience gain / (loss) adjustments on plan liabilities	(1,274,659)	(179,145)

- ii) Para 132 of Accounting Standard 15 (Revised 2005) does not require any specific disclosures except where expense resulting from compensative absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of the management, the expense resulting from compensated absence is not significant and hence disclosures under various paragraphs of Accounting Standard 15 (Revised 2005) are not applicable. The liability for leave entitlement and compensated absences as at period end is ₹ 3,700,464 (March 31, 2015 ₹ 3, 746,687).

## 28.02 Related Party Transactions

### Details of related parties:

#### Associates

1. Nath Bio-Genes (India) Ltd.
2. NathNirman Infra Pvt. Ltd.
3. Tapovan International Trading Pvt. Ltd.

#### Key Management Personnel (KMP)

- Mr. Akash N. Kagliwal (Whole Time Director)  
Mr. Vijay L. Saboo (CFO)

**Details of related party transactions during the year ended 31<sup>st</sup> March, 2016 and balances outstanding as at 31<sup>st</sup> March, 2016:**

<b>Particulars</b>	<b>As at 31 March, 2016 ₹</b>	<b>As at 31 March, 2015 ₹</b>
<b>Purchases:</b>		
Tapovan International Trading Pvt. Ltd.	188,889,222	229,387,505
<b>Finance (including loans and equity contributions in cash or in kind)</b>		
<b>Given / Repaid</b>		
Nath Bio-Genes (India) Ltd.	7,335,479	10,158,742
Nath Nirman Infra Pvt Ltd.	-	8,908
Nath Industrial Chemicals Ltd	13,376,573	-
<b>Received</b>		
Nath Bio-Genes (India) Ltd.	10,607,794	10,158,742
Nath Nirman Infra Pvt Ltd	-	-
<b>Balances outstanding at the end of the year</b>		
Tapovan International Trading Pvt. Ltd.	34,581,883	25,615,165
<b>Loans and advances</b>		
<b>Advance Given</b>		
Nath Bio-Genes India Ltd	-	-
Nath Industrial Chemicals Ltd	-	13,376,573
<b>Borrowings</b>		
<b>Advances Received</b>		
Nath Nirman Infra Pvt Ltd	2,478,204	2,478,204
Nath Bio Genes (I) Ltd	3,272,315	-
<b>Key Management Personnel (KMP)</b>		
<b>Mr. Akash Kagliwal (Whole Time Director)</b>		
Given / Repaid	351,236	877,848
Balances outstanding at the end of the year (Advance Received)	2,330,363	1,979,127
Salary	1,200,000	1,200,000
<b>Vijay Saboo (CFO)</b>		
Salary	1,481,430	1,390,800
Balances outstanding at the end of the year	-	-
<b>Relatives of KMP Mr. Nandkishor Kagliwal</b>		
Repaid	1,028,914	1,352,964
Received	1,028,914	1,35,2964
Balance Outstanding end of the year	-	-
<b>Relatives of KMP Mr. Gopalkrishna Ganediwal</b>		
Repaid	1,134,051	-
Received	7,634,051	-
Balance Outstanding end of the year	6,500,000	-
<b>Relatives of KMP Mrs. Leela Ganediwal</b>		
Repaid	1,174,046	-
Received	14,674,046	-
Balance Outstanding end of the year	13,500,000	-
<b>Deposit for office Premises</b>		
Nath Seeds Ltd.	3,000,000	3,000,000

Note (i) No amount pertaining to associates has been provided for as doubtful debt. Also no amount has been written off/back during the year.

(ii) Related parties are as identified by the Management and relied upon by the Auditors.

**28.03 Earnings per Share**

Particulars	year ended 31 <sup>st</sup> March, 2016 ₹	year ended 31 <sup>st</sup> March, 2015 ₹
Basic and Diluted		
Total operations		
Net profit / (loss) for the year	(9,888,534)	(56,590,191)
Weighted Average Number of Equity Shares	9,000,000	7,684,932
Par value per share	10	10
<b>Earnings per share - Basic and Diluted</b>	<b>(1.10)</b>	<b>(7.36)</b>

**28.04 Deferred Tax Assets**

Particulars	year ended 31 <sup>st</sup> March, 2016 ₹	year ended 31 <sup>st</sup> March, 2015 ₹
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	3,646,812	3,665,857
<b>Sub Total (a)</b>	<b>3,646,812</b>	<b>3,665,857</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for doubtful debts and advance	-	-
Disallowance u/s 40(a)(i), 43(B) of the Income Tax Act, 1961	1,036,974	1,555,857
Carried forward unabsorbed depreciation	133,855,545	142,741,989
Brought forward business losses	-	-
<b>Sub Total (b)</b>	<b>134,892,519</b>	<b>144,297,846</b>
<b>Net Deferred Tax Assets (b-a)</b>	<b>138,539,331</b>	<b>147,963,703</b>

As per AS – 22 “Accounting for taxes on Income” Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which Deferred Tax Assets can be realized. Deferred tax assets are reviewed at each Balance Sheet Date. The Company has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management’s estimates of future profits of the Company.

**NOTE 29 PREVIOUS YEAR FIGURES:**

The financial statements for the year ended March 31, 2015 are prepared as per Schedule III of the Companies Act, 2013. Accordingly, the previous year figures have also been reclassified to conform to this Year’s classification.

**For and on behalf of the Board**

**Akash Kagliwal**  
**Whole Time Director**  
**DIN: 01691724**

**S. S. Agarwal**  
**Director**  
**DIN: 00119681**

### FORM A

1	Name of the Company	Nath Pulp and Paper Mills Ltd.
2	Audited Financial Statements for the year ended	31 <sup>st</sup> March 2016
3	Type of Audit qualification	Nil
4	Frequency of qualification	NA
5	Draw attention to relevant notes in the annual financial statements and Management's response to the qualification in the Directors' Report	NA
6	Additional comments from the board and audit committee	NA
7	To be signed by :	
	CEO / whole time Director	Mr. AkashKagliwal Whole time Director
	CFO	Mr. Vijay Saboo Vice President ( Finance)
	Auditors of the Company	R.B. Sharma & co Chartered Accountants FRN109971w
	Audit Committee Chairman	Mr. Srirang S. Agrawal







**NATH PULP AND PAPER MILLS LIMITED**  
**Regd. Office :Nath House, Nath Road,**  
**Itkheda, Paithan Road, Aurangabad -431005**

**PROXY FORM**

41<sup>st</sup> Annual General Meeting – 30<sup>TH</sup> Sept., 2016

Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_ D. P. ID No. \_\_\_\_\_

Client ID No. \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

being a Member/Members of **Nath Pulp and Paper Mills Limited.** here by appoint \_\_\_\_\_ of \_\_\_\_\_ as my/our **proxy** to vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company to be held on Friday, September 30, 2016, and at any adjournment there of.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Note:

The proxy form duly completed should be deposited at the registered office of the Company not less than forty eight hours before the time fixed for hold This meeting.

Affix Revenue  
Stamp  
Signature

**NATH PULP AND PAPER MILLS LIMITED**  
**Regd. Office :Nath House, Nath Road,**  
**Itkheda, Paithan Road, Aurangabad -431005**

**ATTENDANCE SLIP**

41<sup>st</sup> Annual General Meeting – 30<sup>th</sup> September, 2016

I hereby record my presence at the **41<sup>st</sup> ANNUAL GENERAL MEETING** of the Company held at **Nath House, Itkheda Paithan Road, Aurangabad -431005** on Friday, September 30, 2016 at 11.00 A.M.

Full Name of the Member (in BLOCK LETTERS) \_\_\_\_\_

Regd. Folio No. \_\_\_\_\_ No. of Shares held \_\_\_\_\_ DP ID No. \_\_\_\_\_ Client ID No. \_\_\_\_\_

Full name of the Proxy (in BLOCK LETTERS) \_\_\_\_\_

Member's / Proxy's Signature

\_\_\_\_\_





**Book Post**

To,

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**If undelivered return to**

**Nath Pulp and Paper Mills Limited  
Nath House, Nath Road,  
Itkheda, Paithan Road,  
Aurangabad- 431005 (Maharashtra)**