



NATH PULP & PAPER MILLS LIMITED

40TH ANNUAL REPORT

2014-15

**Registered Office:**

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

Factory:

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

Directors:

Akash Kagliwal
Shrirang Agarwal
P.S.Ravendernath (Nominee Director)
Omprakash Sharma
Ashu Jain

Statutory Auditors:

M/s. R. B. Sharma & Co.
Chartered Accountants
Block no 7 & 8 2nd Floor,
Shangarila Complex, Samarth Nagar,
Aurangabad-431001

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 40th 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 30th September 2015 ,Wednesday at 11a.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 2015 and the Statement of Profit and Loss Account for the year ended on that date.

2. APPOINTMENT OF AUDITORS:

To ratify the appointment of auditors of the company, 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 Act, if any and the rules framed there under, as amended from time to time, 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 42nd Annual General Meeting needs ratification by members of the Company for financial year 2015-16. The Company has received letter from M/s. R. B. Sharma & Company, 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."

3. APPOINTMENT OF DIRECTOR

To appoint Mr. S. S. Agarwal as a Director of the Company, who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:**4. APPOINTMENT OF OMPRAKASH SHARMA AS INDEPENDENT DIRECTOR**

To consider & if thought fit to pass with or without modification the following resolution as ordinary resolution:

"Resolved That, pursuant to section 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made there under, Mr. Omprakash Sharma, who was appointed as an Additional Director of the company by the Board of Directors with effect from Oct 01, 2014 and who holds office till the date of the AGM, in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Omprakash Sharma as a candidate for the office of a director of the company, be and is hereby appointed as an independent director of the company for a period up to 30th September 2019, not liable to retire by rotation.

5. APPOINTMENT OF ASHU JAIN AS DIRECTOR

To consider & if thought fit to pass with or without modification the following resolution as ordinary resolution:

"RESOLVED THAT pursuant to the provisions of section 149, 152 and other applicable provisions. if any, of the Companies Act, 2013 and the rules made there under, Mrs. Ashu Jain (DIN 00243310) ,who was appointed as an Additional Director of the company by the Board of directors with effect from 31st march 2015 and who holds office till the date of the AGM , in terms of section 161 of the Companies Act 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the companies act 2013 signifying his intention to propose Mrs. Ashu Jain as a candidate for the office of a director of the company ,be and is hereby appointed as a director of the company."

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 & 5 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 40th Annual General Meeting and Annual Report 2014-15 will also available on the Company's website 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

- f) Register of Members and Share Transfer Books of the Company shall remain closed from 24th September 2015 to 30th September 2015, 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 40th Annual General Meeting scheduled to be held on 30.09.2015 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 27.09.2015 (10.00 a.m.) and ends on 29.09.2015(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 23.09.2015, 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
- (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 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:

For Members holding shares in Demat Form and Physical Form	
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 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.
 - 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 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.

Ms. Neha P Agrawal, 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 and also on the website of CDSL viz. 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 under help section or write an email to helpdesk.evoting@cdslindia.com

Place : Aurangabad
Date : 28th August, 2015
Registered Office
Nath House, Nath Road,
Itkheda, Paithan Road,
Aurangabad -431005
Corporate Identification Number (CIN): L2100MH1975PLC018289

By order of the Board of Directors
For **Nath Pulp & Paper Mills Ltd.**

Akash Kagliwal
Whole Time Director
(DIN: 01691724)

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:

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members.

Based on the recommendation of the Human Resources Nomination and Remuneration Committee, The Board of Directors has proposed that Mr. Omprakash Sharma be appointed as the Independent Director of the Company. The appointment of Mr. Omprakash Sharma shall be effective upon approval by the members in the meeting.

The Company has received a notice in writing from a member under section 160 of the Act proposing the candidature of Mr. Omprakash Sharma for the office of Director of the Company.

Mr. Omprakash Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Mr. Omprakash Sharma that he meets the criteria of independence as prescribed both under sub section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Omprakash Sharma fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Omprakash Sharma is independent of the management and possesses appropriate skills, experience and knowledge.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Omprakash Sharma is appointed as an Independent Director of the Company.

Further details of Mr. Omprakash Sharma are given in the Annexure to this Notice.

Copy of the draft letter for appointment of Mr. Omprakash Sharma as an independent Director setting out the terms and conditions is available for by the members at the registered office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Save as except Mr. Omprakash Sharma and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Director/ Key Managerial Personnel of Company/their relatives are, in any way concerned or interested, financially or otherwise, in the resolution set out in Item No 4 of the notice. The Board commends the Ordinary Resolution set out at Item No 4 of the Notice for approval of members.

ITEM NO.5:

The Board appointed Mrs. Ashu Jain, as additional director with effect from 31st March 2015. As per provisions of section 161(1) of the Act, she holds office of Additional Director only upto the date of the forthcoming Annual general meeting of the Company, and is eligible for appointment as director. The Company has received a notice under section 160 of the Act proposing her candidature for the office of the director of the company.

The brief profile of Mrs. Ashu Jain is given below:

Mrs. Ashu Jain got around 15 years of rich and overall experience in the Administration.

Further Details of Mrs. Ashu Jain have been given in the Annexure to this notice.

The Board commends the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the members.

By order of the Board of Directors
For **Nath Pulp & Paper Mills Ltd.**

Akash Kagliwal
Whole Time Director
(DIN: 01691724)

Place : Aurangabad
Date : 28th August, 2015
Corporate Identification Number (CIN): L2100MH1975PLC018289

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

NAME OF DIRECTOR	Mr. Shrirang Shrikishan Agrawal
Date of Birth	16/02/1947
Date of Appointment	30/09/2010
Qualification	Graduate
Experience in special functional area	Professional
Chairman/ Director of other companies	1. Global Transgenes Ltd. 2. Tapovan Paper & Board Mills Ltd. 3. Raasi Synthetics and Chemicals Ltd. 4. Agri -Tech (India) Ltd. 5. Nath Bio-Genes (India) Ltd. 6. Nath Pulp & Paper Mills Ltd. 7. Barkha Farms Private Ltd. 8. Wexford Trading Private Ltd. 9. Wellspring Enterprises Private Limited. 10. Tapovan Farms Private Ltd. 11. TechIndia Nirman Limited
Chairman/ Member of Committees of other Companies	1. Agri -Tech (India) Ltd. -Audit Committee -Investor Grievance Committee 2. TechIndia Nirman Limited - Audit Committee - Investor Grievance committee
No of shares held in the Company	NIL

NAME OF DIRECTOR	Mr. Omprakash Sharma
Date of Birth	20.09.1949
Date of Appointment	01.10.2014
Qualification	Graduate
Chairman/ Director of other companies	1. Tapovan Farms Private Limited 2. Agri-Tech (India) Limited
Chairman/ Member of Committees of other Companies	Nil
No of shares held in the Company	25

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	NIL
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 40th Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2015.

FINANCIAL RESULT:

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

Particulars	₹. In Lakh	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Sales and other income	9585.67	9492.94
Profit/ (loss) before Depreciation	388.18	407.30
Depreciation	74.13	209.84
Net Profit/ loss for the year	350.27	195.63
Prior Period Items	36.21	(1.83)
Net Profit / (loss) before tax	314.06	197.46
Deferred Tax (Income)/Expenses	879.96	(5.23)
Profit after Tax	(565.90)	202.69

PERFORMANCE:

The working of the company has been satisfactory during the year. Your company has also brought about significant changes in the process and product mix to produce core boards and thermal paper.

Your Company has achieved turnover and other income of ₹. 9585.67 lakh, as compared to the previous year ₹. 9492.94 lakh. Company has achieved a net Profit before adjustment of deferred tax expenses of ₹. 314.06 lakh.

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.

REDUCTION OF CAPITAL:

Company had filed a Draft Rehabilitation Scheme to the Honorable Board for Industrial and Financial Reconstruction (BIFR) seeking a reduction in the paid up equity share capital of the company amounting to ₹ 20,00,00,000(Rs. Twenty Crores) by 95 % to set off the accumulated losses . The said scheme was sanctioned by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide order dated 14.02.2012 and the subsequent amendments thereof.

Company has made reduction of capital as per order of Hon'ble BIFR dated 01/07/2013. The existing share capital of the company reduced by 95% by writing off accumulated losses to that extent and then every twenty equity shares of ₹. 0.50/- each consolidated into one equity share of ₹. 10/- each fully paid up. Reduction of share capital as per above order has taken place on 30.05.2014.

Following the writing down of the existing paid up equity share capital of the company the effective share capital is at ₹ 1,00,00, 000 (Rs. one crore only) comprising 10,00,000 (ten lacs equity shares of ₹. 10 each) arising out the consolidation of twenty shares of ₹. 0.50 each into one equity share of ₹. 10 / each .

INFUSION OF FRESH EQUITY:

Further , in pursuance of the directions given by Hon'ble BIFR , Company has allotted 80,00,000 (eighty lacs equity shares of ₹. 10/ each fully paid up) amounting to Rs. eight crores to promoters and promoter group and to ARC Trust on a preferential basis and in the following manner :

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 not only in offices but also at 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 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	1908.79
Total Earnings	-

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Omprakash Sharma (DIN 01196266) was appointed as an Additional Director in the Board Meeting held on 27th August 2014. He will hold the office up to the date of ensuing general meeting and is eligible for appointment as a director.

Mrs. Ashu Jain was appointed as an additional director in the Board Meeting held on 31st March; 2015. She will hold the office up to the date of ensuing general meeting and is eligible for appointment as a director.

In accordance with Section 149(1), 152(5) and other applicable provisions, if any, of the Companies Act, 2013 including any modification or re-enactment thereof Mrs. Ashu Jain (DIN: 00243310) shall be appointed Woman Director of the company, liable to retire by rotation, after being approved by members at the ensuing general meeting.

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, 2015, the applicable Accounting Standards have been followed and there are no material departures from the same;

- b. 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, 2015 and of the Profit of the Company for that period;
- c. 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;
- d. 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 availability and suitability of 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

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

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 and is the member of BSE and ASE Platform. Apart from paper business, the Company is not engaged in any other business/activities.

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 42nd Annual General Meeting needs ratification by members of the Company for financial year 2015-16. The Company has received letter from M/s. R. B. Sharma & Company, 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 Ms Neha P. Agrawal, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2014-15. The Secretarial Audit Report in 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 contact/ 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 14th February 2015 to 14th 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 15th April 2015. This has been one of the rare occasions in Company's history of maintaining industrial harmony

Company's industrial relations were 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 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 : 28th August, 2015**

**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, 2015 (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

I. REGISTRATION AND OTHER DETAILS		
i)	CIN	L21100MH1975PLC018289
ii)	Registration Date	10 th 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

Name	CIN/GLN	Holding / subsidiary/ Associate	%of shares held	Applicable section
Nath Industrial Chemicals Ltd.	U24110MH1978PLC054457	Associate	-	2(6)
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. No	Category of Shareholders	No. of Shares at the beginning of the year As on 01/04/2014				No. of Shares at the end of the year As on 31/03/2015				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter									
(1)	Indian									
(a)	Individual HUF	-	15450	15450	0.08	-	771	771	0.01	-0.07
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies/ Corporate	2271187	1089027	3360214	16.8	6113858	54150	6168008	68.53	51.73
(d)	FI/Banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)		2271187	1104477	3375664	16.8	6113858	54921	6168779	68.54	51.73
(2)	Foreign									
(a)	Individual (NRI)	-	-	-	-	-	-	-	-	-
(b)	Bodies/ Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	QFI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)		2271187	1104477	3375664	16.8	6113858	54921	6168779	68.54	51.73



Sr. No	Category of Shareholders	No. of Shares at the beginning of the year As on 01/04/2014				No. of Shares at the end of the year As on 31/03/2015				% 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	-	78584	78584	0.39	-	3928	3928	0.04	-0.35
(b)	FI/Banks	2135976	235750	2371726	11.86	2103730	11785	2115515	23.51	11.65
(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	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)		2135976	314334	2450310	12.25	2103730	15713	2119443	23.55	11.30
(2)	Non Institutions	-	-	-	-	-	-	-	-	-
(a)	Bodies/ Corporate	730558	124750	855308	4.28	38714	6171	44885	0.50	-3.78
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding share capital up to Rs.1Lac	4520689	2064940	6585629	32.93	481665	126756	608421	6.76	-26.17
(ii)	Individual shareholders holding share capital in excess Rs.1 Lac	5990706	598721	6589427	32.95	50076	-	50076	0.56	-32.39
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any other(Specify)	17759	125903	143662	0.72	2149	6247	8396	0.09	-0.63
(d1)	NRI	15375	78132	93507		653	3904	4557		
(d2)	Employee	724	47771	48495		0	2343	2343		
(d3)	Clearing Members	1660	-	1660		1496	-	1496		
Sub Total (B) (2)		11259712	2914314	14174026	70.87	572604	139174	711778	7.91	-62.96
Total Public Share Holding (B1 + B2)		13395688	3228648	16624336	83.12	2676334	154887	2831221	31.46	-51.66
(C)	Shares held by Custodians for ADRs and GDRs									
Sub Total (C)										
Grand Total (A+B+C)		15666875	4333125	20000000	100	8790192	209808	9000000	100	0.07

*** REDUCTION OF CAPITAL & INFUSION OF FRESH EQUITY**

Company had filed a Draft Rehabilitation Scheme to the Honorable Board for Industrial and Financial Reconstruction (BIFR) seeking a reduction in the paid up equity share capital of the company amounting to ₹ 20,00,00,000(Rs. Twenty Crores) by 95 % to set off the accumulated losses . The said scheme was sanctioned by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide order dated 14.02.2012 and the subsequent amendments thereof.

Company has made reduction of capital as per order of Hon'ble BIFR dated 01/07/2013. The existing share capital of the company reduced by 95% by writing off accumulated losses to that extent and then every twenty equity shares of ₹. 0.50/- each consolidated into one equity share of ₹. 10/- each fully paid up. Reduction of share capital as per above order has taken place on 30.05.2014.

Following the writing down of the existing paid up equity share capital of the company the effective share capital is at ₹ 1,00,00, 000 (Rs. one crore only) comprising 10,00,000 (ten lacs equity shares of ₹. 10 each) arising out the consolidation of twenty shares of ₹. 0.50 Each into one equity share of ₹. 10 / each.

Further , in pursuance of the directions given by Hon'ble BIFR , Company has allotted 80,00,000 (eighty lacs equity shares of ₹. 10/ each fully paid up) amounting to Rs. eight crores to promoters and promoter group and to ARC Trust on a preferential basis.

(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	11000	0.06	-	550	0.01	-	-0.05
2.Jeevanlata N. Kagliwal	1350	0.01	-	67	0.00	-	-0.01
3.Subhash Kagliwal	1000	0.01	-	50	0.00	-	0.00
4.Laxminarayan Kagliwal	1000	0.01	-	50	0.00	-	0.00
5.Akash Kagliwal	50	0.00	-	2	0.00	-	0.00
6.Ashu Kagliwal	50	0.00	-	2	0.00	-	0.00
7.Anil Kagliwal	1000	0.01	-	50	0.00	-	0.00
8.Nath Capital and Financial Services	32,971	0.16	-	1,648	0.02	-	-0.15
9.Paresh Farms Pvt. Ltd	1,086,099	5.43	-	54,304	0.60	-	-4.83
10.Prabha Farms Pvt. Ltd	599	0.00	-	29	0.00	-	0.00
11.Jeevan Farms Pvt. Ltd A/C ARC Trust	700,000	3.50	0.04	35,000	0.39	0.39	-3.11
12.Akash Farms Pvt. Ltd	40545	0.20	-	2002027	22.24	-	22.04
13.Mayo Farms Pvt. Ltd	700,000	3.50	-	35,000	0.39	-	-3.11
14.Tapovan Farms Pvt. Ltd	800,000	4.00	-	40,000	0.44	-	-3.56
15.Ashu Farms Pvt Ltd	-	0.00	-	2000000	22.22	-	22.22
16.Tapovan Paper and Board Mills Ltd	-	0.00	-	2000000	22.22	-	22.22
Total	3375664	16.88	0.04	6168779	68.54	0.39	51.66

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

	No of Shares	% Holding
At the beginning of year	3375664	16.88
At the end of year	6168779	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 01.04.2014	% holding	No. of shares held as on 31.03.2015	% holding
1	Industrial Credit and Investment Corporation of India Ltd.	170,950	0.85	8547	0.10
2	Life Insurance Corporation of India	1,074,576	5.37	53,728	0.60
3	State Bank of India	1000050	5.00	50,002	0.56
4	ARC Trust Ltd. (Trust Holdings)	-	-	2,000,000	22.22
5	Manish Jain	140,208	0.70	7,010	0.08
6	Maya Rameshwar Ukey	205519	1.03	8,275	0.09
7	Sunita Laxminarayan Attal	327933	1.64	16,771	0.18
8	Laxminarayan Attal	260896	1.30	13,044	0.14
9	Vishambar Lal Jangid	145,000	0.73	7,250	0.08
10	Dipak Kanayalal Shah	379860	1.90	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
Nandkishor Kagliwal	11000	0.55	550	0.01
Akash Kagliwal	50	0.02	2	0.00
Srirang S Agrawal	-	-	-	-
Ashu Jain	50	0.02	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	1358.64	105.00	0.00	1463.64
ii)Interest due but not paid	16.53	22.37	0.00	38.90
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1375.17	127.37	0.00	1502.54
Changes during financial year				
Addition	8.01	0.00	0.00	8.01
Reduction	248.05	79.37	0.00	327.42
Net Change	1135.15	48.00	0.00	1183.15
Indebtness at the end 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	24.54
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1135.15	48.00	0.00	1183.15

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

Sr. No.	Particulars of remuneration	Akash Kagliwal Whole time Director
1	Gross Salary : a. Salary as per provisions contained in section 17(2) of the Income Tax Act 1961 b. Value of perquisites u/s 17 (2) of the Income Tax Act 1961 c. Profits in lieu of salary u/s 17 (2) of the Income Tax Act 1961	₹12,00,000 - -
2	Stock Option	-
3	Sweat equity	-
4	Commission As a % of Profit Other s (Please specify)	-
5	Others	-
	Total A	₹12,00,000

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Amount
1	Non executive Independent Directors : Name : Shrirang Shrikishan Agarwal Fee for attending board , committee meetings Commission Others	₹ 27000 - -
	Total -1	₹ 27000
2	Other Non executive Directors Name: Nandkishor Kagliwal Fee for attending board , committee meetings Commission Others	₹ 27000 - -
	Total -2	₹ 27000
	Total 1 & 2	₹ 54000

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

Sr. No.	Particulars of Remuneration	Amount
1	Vijay Saboo, CFO Remuneration Commission as % of Profit Others	₹ 13,90,800 - -
	Total	₹ 13,90,800

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 31st March, 2015 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. Nandkishor Kagliwal	Non Executive & Promoter	7	6	1	1
Mr. Akash Kagliwal	Executive	10	10	3	-
Mr. Shrirang Agrawal	Non-Executive & Independent	6	4	6	2
Mr. P. S. Ravendranath	Non -Executive & Independednt (Nominee Director - Arc Trust)	2	2	-	-
Mr. Omprakash Sharma	Non-Executive & Independent	1	1	-	-
Mrs Ashu Jain	Non Executive	-	-	-	-

Mr. Nandkishor Kagliwal has resigned from Directorship of the company on 31st March 2015

Mrs. Ashu Jain has been appointed as an additional Director of the company on 31st March 2015.

Meeting and Attendance record of each Director

During the year ended 31st March 2015, Nine meetings of the Board were held on the following date:

- 1) 30th Apr-2014 2) 30th May-2014 3) 31st May-2014 4) 31st Jul-2014 5) 27th Aug-2014
6) 31st Oct-2014 7) 17th Nov-2014 8) 31st Jan-2015 9) 31st March-2015

The attendance record of the Directors at the Board Meetings held during the year ended 31st March, 2015 and the last Annual General Meeting (AGM) of the Company are as under:

Name of the Director	Board Meetings	Last AGM (Y/N)
Mr. Nandkishor Kagliwal	9	Yes
Mr. Akash Kagliwal	9	Yes
Mr. Shrirang Agrawal	9	Yes
Mr. P. S. Ravendernath	-	No
Mr. Omprakash Sharma	3	-
Mrs Ashu Jain	-	NA

4. Audit Committee

The Audit Committee met Eight times during the year ended 31st Match 2015 on

- 1) 30th Apr-2014 2) 30th May-2014 3) 31st May-2014 4) 31st Jul-2014
5) 27th Aug-2014 6) 31st Oct-2014 7) 31st Jan-2015 8) 31st March-2015

The Constitution of the committee as at 31.03.2015 and the attendance of each member are given below:

Name of the Director	No. of Meetings attended
Mr. Nandkishor Kagliwal	8
Mr. Akash Kagliwal	8
Mr. Shrirang Agrawal	8
Mr. Omprakash Sharma	3

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
Mr. Nandksihor Kagliwal
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 ₹
Mr. Nandkishor Kagliwal	Non Executive & Promoter	27,000
Mr. S. S. Agrawal	Non Executive & Independent	27,000

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 2014-2015.

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

- 30th Apr, 2014
- 31st July, 2014
- 31st Oct, 2014
- 31st Jan, 2015

During the year ended 31st March, 2014. The Constitution of the committee as on 31.03.2015 is given below:

Name	Status	Meeting attended
Mr Shrirang Agrawal	Non executive	4
Mr.Akash Kagliwal	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, 2014.

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 4

No. of complaints solved to the satisfaction of the Shareholders 4

No. of pending complaints Nil

Annual General Meetings

Meeting	Day and Date	Time	Place
39 th Annual General Meeting 2013-14	Tuesday 30 th Sep 2014	11 AM	Nath House, Nath Road, Aurangabad
38 th Annual General Meeting 2012-13	Monday 30 th Sep 2013	11 AM	Nath House, Nath Road, Aurangabad
37 th Annual General Meeting 2011-12	Friday 29 th Sep 2012	11 AM	Nath House, Nath Road, Aurangabad

During the year 2014-15 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.

News papers 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 th September, 2015 At 11.00 A.M.
Venue	Nath House, Paithan Road Aurangabad
Pin	431005
Financial Year	2014-2015

Book Closure

The register of the shareholders of the Company will remain closed on 24th Sept 2015 to 30th Sept 2015, both days inclusive

Financial Calendar (tentative)

Financial reporting for the quarter ending 30th June ,2015	by July 2015
Financial reporting for the quarter ending 30th September , 2015	by October 2015
Financial Reporting for the quarter ending 31st December , 2015	by January 2016
Financial reporting for the quarter ending 31st March 2016	by May 2016
Annual General meeting for the year ending 31 st March 2016	by Sept 2016

11. Reduction in Capital

Company had filed a Draft Rehabilitation Scheme to the Honorable Board for Industrial and Financial Reconstruction (BIFR) seeking a reduction in the paid up equity share capital of the company amounting to ₹ 20,00,00,000(Rs. Twenty Crores) by 95 % to set off the accumulated losses . The said scheme was sanctioned by Honorable Board for Industrial and Financial Reconstruction (BIFR) vide order dated 14.02.2012 and the subsequent amendments thereof.

Company has made reduction of capital as per order of Hon'ble BIFR dated 01/07/2013 . The existing share capital of the company reduced by 95% by writing off accumulated losses to that extent and then every twenty equity shares of ₹. 0.50 each consolidated into one equity share of ₹. 10 each fully paid up. Reduction of share capital as per above order has taken place on 30.05.2014.

Following the writing down of the existing paid up equity share capital of the company the effective share capital is at ₹ 1,00,00,000 (Rs. one crore only) comprising 10,00,000 (Ten lacs equity shares of ₹. 10 each) arising out the consolidation of twenty shares of ₹. 0.50 each into one equity share of ₹. 10 each.

12. Infusion of Fresh Equity capital

Further , in pursuance of the directions given by Hon'ble BIFR , Company has allotted 80,00,000 (eighty lacs equity shares of ₹. 10/ each fully paid up) amounting to Rs. eight crores to promoters and promoter group and to ARC Trust on a preferential basis and in the following manner :

Category	No. of shares allotted	Amount ₹
Promoters/promoter group	6,000,000	60,0,00,000
Asset Reconstruction Company India Ltd.	2,000,000	20,000,000

The Company has allotted 2,000,000 equity shares of ₹.10/- each on 31.05.2014 against the conversion of secured loan of Arc-Trust as per BIFR order dated 01.07.2013. Further the Company has made preferential allotment of 6,000,000 to promoters and associates on 31.05.2014 with a lock in period of 3 years.

13. 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.

The Company has paid annual listing fees to both the Stock Exchanges for the financial year 2015-16. Scrip code 502407 BSE ISIN No. INE776A01017

Market Price Data

Month	High Price ₹	Low Price ₹
April , 2014	1.67	1.34
May, 2014	1.78	1.52
June, 2014	1.78	1.52
July, 2014	1.78	1.52
August, 2014	1.78	1.52
September, 2014	1.78	1.52
October, 2014	1.78	1.52
November, 2014	1.78	1.52
December, 2014	1.78	1.52
January, 2015	75.20	39.99
February, 2015	55.50	35.50
March, 2015	43.70	29.40

Category of Shareholders as on 31.03.2015

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'	4,557	0.05
Others	707,221	7.86
Total	9000000	100.00



14. 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 31.03.2015 is as follows:

Shares in Demat mode with NSDL: 8,624,984
Shares in Demat mode with CDSL: 165,208
Shares in physical mode : 209,808

Address for Investor Correspondence

Plant Location:
Nath Pulp and Paper Mills Ltd.
Nath Nagar (North), At. Post: Wahegaon,
Taluka: Paithan,
Dist: Aurangabad (Maharashtra)

Registrar and Share Transfer Agent
Big Share Services Pvt. Ltd.
E- 2/3, Ansa Industrial Estate, Sakivihar Road,
Saki Naka, Andheri (Ease),
Mumbai-400 072 (Maharashtra)

15. 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.

16. CEO and CFO Certification

The Executive Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement. The annual certificate given by the Executive Director and the Chief Financial Officer is attached to this Report.

17. 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, 2015.

For and on behalf of the Board

**Place : Aurangabad
Date: 28th August 2015**

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

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 31st March, 2015 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: 28/08/2015**

**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 31st March 2015 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 : 28th August, 2015**

**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 31st March, 2015.

For an on behalf of the Board of Directors

**Place: Aurangabad
Dated 28th August, 2015**

**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 consisting of wood based, agro based and waste paper based.

The Indian Paper Industry accounts for about 2.6% of the world's production of paper. The estimated turnover of the industry is INR 50,000 crore approximately and its contribution to the exchequer is around INR 4500 crore. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly. Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc.; approximately 31% are based on chemical pulp, 47% on recycled fibre and 22% on agro-residues. The geographical spread of the industry as well as market is mainly responsible for regional balance of production and consumption. The operating capacity of the industry currently stands at 12.75 million tons.

The Indian paper industry is an integral part of the Nation's economy and contributes to its growth and development. Indian paper industry has continued to upgrade its capacities and technologies in spite of huge challenges like shortage of raw material, being highly capital intensive in nature and a threat of cheaper import from Asian Countries.

The Domestic demand for all varieties of paper in India is estimated at around 13.1 million tonnes in 2013-14 which is 3% of global demand even though population of 121 crores as per 2011 census is 17% of world population. Out of total domestic paper consumption packaging grades account for approx 5.9 million tonnes and specialty grade 0.60 million tonnes.

Even though our domestic paper consumption has been growing steadily, it is still only 10/11 kg per capita, which is abysmally low when compared to even highly populated and developing economies. Per capita consumption in China and Indonesia is estimated at 42 kg and 23 kg respectively.

Nath Pulp and Paper Mills Ltd. is paper mill which is strategically located at Paithan with all infrastructure facilities. Nath is the leading producer of high strength core board used by text tube manufacturers and 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:

During 2014-15, Indian Paper Industries domestic production is estimated to be 11.38 million tons. As per industry guesstimates, over all paper consumption has now touched 13.10 million tons and per capita consumption is pegged at 10 kg. Demand of paper has been hovering around 8% for some time. So far, the growth in paper industry has mirrored the growth in GDP. India is the fastest growing market for paper globally and it presents an exciting scenario; paper consumption is poised for a big leap forward in sync with the economic growth and is estimated to touch 13.95 million tons by 2015-16. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tons.

The low per capita consumption of paper/ paper board in the country is bound to increase with the growth in the GDP, rising income of middle class, and a ban on plastic packaging starting with guthka manufacturing units.

The company has adequate infrastructure facilities such as land, water & power. Further, company has the flexibility to manufacture various grades of paper, which gives it a distinct competitive advantage.

The availability of raw material has always been a matter of concern for the industry.

At the same time, it may face competition due to proliferation of capacities in the country.

Review of Performance:

During the year the Company's Sales and other income aggregated to ₹ 9585.67Lacs. Net Loss stood at ₹ 565.90 lacs.

Strategy

During the year Company has developed Premium grade Kraft Paper of 600 ply bond and Thermal Paper they 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 understood to be 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 base which insulates it from the cyclical impact to some extent. However, given the growth potential, outlook of the paper industry is promising; moreover company is ready to face new challenges to retain its position as one of the leading paper mills in the Core board segment.

Indian paper industry needs the following for being globally more competitive.

- Sustained availability of good quality of raw materials and bulk import of waste paper to supplement the availability of raw materials.
- Adequate modernization of the manufacturing assests.
- Improvement of the infrastructure.
- Quality improvements and reduction in cost of production
- Import policy conducive for import of material, equipment, instruments, raw materials & technologies which are bearing of the quality and environment.

The Company is deriving its revenue from paper / paper board manufacturing. Not only the availability of Raw material is a matter of concern but also rates of raw material due to competition among the related paper mills.

Employment opportunities

The Indian Paper industry provides employment to more than 0.12 million people directly and 0.34 million people indirectly. Some of the paper products are sheet paper, paper boxes, tissues, paper bags, stationery, envelopes, and printed-paper products such as books, periodicals, and newspapers. Specialty papers like sandpaper, blueprint paper, carbon paper are not a part of paper products industry. Stationery includes greeting cards, printing and writing papers, school and office papers, etc.

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 all the applicable Accounting Standards for maintaining the books of accounts and reporting financial statements. It has appointed an independent firm of Chartered Accountants for conducting Internal Audit. The Audit Reports are reviewed by the Management and the Audit Committee constitute by the Board of Director from time to time.

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

**Place: Aurangabad
Date: 28th August, 2015**

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

Annexure IV forming part of the Directors' Report**FORM NO. MR -3****SECRETARIAL AUDIT REPORT****For the financial year ended 31st March, 2015****[Pursuant to section 204(1) of The Companies Act, 2013 and the rule no. 9 of the Companies (Appointment and Remuneration Personnel Rules, 2014)]**

**To,
The Members,
Nath Pulp and Paper Mills Limited
CIN L21100MH1975PLC018289
Nath house, Nath road, Aurangabad**

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** bearing **CIN L21100MH1975PLC018289** ('the Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 (Audit Period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of -

1. The Companies Act, 2013 and the Rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
4. The Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;-
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - Not applicable as the company has not granted any options to its employees during the financial year under review
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -Not applicable as the company has not issued any debt securities during the financial year under review
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not applicable as the company has not delisted its equity shares from any stock exchange during the financial year under review
 - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; -Not applicable as the company has not bought back any of its securities during the financial year under review
 - The Securities and Exchange Board of India (Registrars to an Issue and share Transfer Agents) Regulations, 1993 regarding the companies Act and dealing with client;
 - The Equity Listing Agreements with BSE Limited and Ahmadabad Stock Exchange Limited; and
 - The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:-

- Secretarial Standards issued by the Institute of Company Secretaries of India. - not notified hence not applicable to the company during audit period
- The listing Agreement entered into by the company with BSE Limited and Ahmadabad Stock Exchange Limited.



The company has identified the following laws as specifically applicable to the company;

- a. The Sick Industrial Companies (SICA) Act, 1985
- b. The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest(SARFAESI), Act 2002
- c. The Factories Act, 1948
- d. The Payment Of Wages Act, 1936, and rules made there under,
- e. The Minimum Wages Act, 1923, and rules made there under,
- f. The Central Excise Act 1944
- g. The Finance Act 1994 (Service Tax) as amended
- h. The Maharashtra Value Added Tax Act 2002 as amended
- i. The Central Sales Tax Act 1956
- j. The Water Prevention and Control of Pollution Act 1978
- k. The Employees Provident Funds and Miscellaneous Provisions Act 1952
- l. The Income Tax Act 1961

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except Under 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. But the company has not appointed the same till date. Assurance has been given from the company's side that the same will be appointed soon. In Respect of Inter- Corporate Loans / Advances, Prime -facie, The Company has not complied with Section 186 of the Act (previously section 372A of The Companies Act, 1956), in as much as these are interest free loans for which approval of the financial institutions has not been obtained

I further report that:

1. The status of the company during the financial year under review has been that of Listed Public Company.
2. The company has not been a holding or subsidiary of another company. The company has not been a government company or a financial company.
3. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities.
4. Adequate notice of at least seven days was given to all the directors to schedule the board meetings. Agenda and detailed notes on Agenda were sent in advance of at least three days before the meeting. There exists a system for directors to seek and obtain further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.
5. Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes of Meeting.

I further report that compliance of 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 the Statutory auditor and other designated professionals.

I further report that pursuant to the scheme of rehabilitation sanctioned by the Honorable Board for Industrial and Financial Reconstruction (BIFR) dated 14th February, 2012 and subsequent amendment thereof the company reduced the face value of existing equity shares from ₹ 10/- each to Face value of ₹ 0.50 each per share. Also amount of ₹ 1900 Lacs was credited to share premium account to set off against the accumulated losses of the company. Due to reduction of face value 20 equity shares of Face Value of ₹ 0.50/- each fully paid up were consolidated into 1 equity shares of ₹ 10/- each fully paid up.

I further report that pursuant to the scheme of rehabilitation sanctioned by the Honorable Board for Industrial and Financial Reconstruction (BIFR) dated 14th February, 2012 and subsequent amendment thereof the company has issued 80,00,000 equity shares of ₹ 10/- each on 31.05.2014. Out of this allotted equity shares 60, 00,000 equity shares were allotted to promoters and their associates against their unsecured loan in the company and 20, 00,000 equity shares were issued to Asset Reconstruction Company (India) Limited (ARC trust). The shares issued to promoters are on preferential basis with a lock in period of 3 years.

I further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Aurangabad
Date : July 30th2015

Neha P Agrawal
Practicing Company Secretary
FCS No 7350 & CP No 8048

Note: - This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

“ANNEXURE A”

To,
The Members,
Nath Pulp and Paper Mills Limited
CIN L21100MH1975PLC018289
Nath house, Nath road, Aurangabad

My Secretarial audit report of even date is to be read along with this letter:

Management’s responsibility:

1. It is the responsibility of management of the company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records based on our audit.
2. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis

Auditor’s responsibility:-

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. I believe that audit evidence and information obtained from the company’s management is adequate and appropriate for me to provide a basis for my opinion.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:-

6. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Aurangabad
Date : July 30th 2015

Neha P Agrawal
Practicing Company Secretary
FCS No 7350 & CP No 8048

INDEPENDENT AUDITORS' REPORT

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **NATH PULP AND PAPER MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 safe guarding 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 standalone financial statements based on our audit. We have taken in to 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 standalone 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. 28.11 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. 28.09 of notes on financial statements). Maximum amount outstanding during the year ₹ 19,977,545 (as at 31st March 2014 ₹ 17,496,186) and amount outstanding as at the close of the year ₹ 19,284,743 (as at 31st March 2014 ₹ 14,107,654)
- (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. 28.14.
- (d) Recognition of overdue payment of the financial institutions as on 31st March, 2015 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 ₹. 147,963,703 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 standalone 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 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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 standalone 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 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 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 28.01 to the financial statements;
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Place: Aurangabad
Date: - 30/05/2015**

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

Annexure to the Auditors' Report

The Annexure referred to in our report to the members of **NATH PULP AND PAPER MILLS LIMITED** ("the Company") for the year Ended on 31st March 2015. 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 and the same have been properly dealt with in the books of account;
- (ii) (a) The inventory has been physically verified by the management at reasonable intervals during the year.
- (b) The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. The discrepancies noticed on such physical verification of inventory as compared to books of account were not material.
- (iii) The company has granted interest free unsecured loans to parties covered in the register maintained under section 189 of the Companies Act. Other terms and conditions of the aforesaid loans are prima facie not prejudicial to the interests of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
- (v) The company has not accepted deposits; 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 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 no statutory dues outstanding as at the last day of the financial year concerned for a period of more than six months from the date they became payable. The company is regular in depositing Custom Duty, Excise Duty and other applicable Cesses.
- (b) According to the records of the company, there are no dues of income tax or sales tax or wealth 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

- (c) There are no such amounts which are required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The accumulated losses of the Company as at March 31st, 2015 are more than fifty per cent of its net worth. The company has not incurred cash losses during the financial year ended on that date and in the immediately preceding financial year.
- (ix) 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 01st 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 28.14 of notes to financial statements.
- (x) During the year, the company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company.



- (xi) According to the information and explanations given to us, and in our opinion, the term loans were applied for the purpose for which the loans were obtained;
- (xii) 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.

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

**Place: Aurangabad
Date: - 30/05/2015**

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



Audited Balance Sheet as at 31ST March, 2015

Particulars	Note No	As at 31 st March, 2015 ₹	As at 31 st March, 2014 ₹
EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	1	90,000,000	200,000,000
(b) Reserves and surplus	2	(59,264,317)	(166,604,666)
		30,735,683	33,395,334
2) Non-current liabilities			
(a) Long-term borrowings	3	279,091,770	313,727,651
(b) Long-term provisions	4	24,667,028	22,303,413
		303,758,798	336,031,064
3) Current liabilities			
(a) Short-term borrowings	5	52,630,639	146,714,265
(b) Trade payables	6	106,917,149	97,827,896
(c) Other current liabilities	7	35,480,840	39,648,741
(d) Short-term provisions	8	4,795,369	5,749,549
		199,823,997	289,940,451
4) Total (1+2+3)		534,318,479	659,366,849
ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	119,500,012	140,407,759
(ii) Capital work-in-progress		1,911,195	1,911,195
		121,411,207	142,318,954
(b) Deferred tax assets (net)		147,963,703	235,959,531
(c) Long-term loans and advances	10	43,976,743	43,465,793
(d) Other non-current assets	11	11,802,897	11,802,897
		203,743,343	291,228,221
2) Current assets			
(a) Inventories		102,890,806	73,277,954
(b) Trade receivables	12		
(c) Cash and cash equivalents	13	51,972,160	108,810,070
(d) Short-term loans and advances	14	3,804,982	4,434,132
	15	50,495,981	39,297,519
		209,163,929	225,819,675
3) Total (1+2)		534,318,479	659,366,849
Notes on Financial Statements	1 to 30		

As per our Report of even date

For R. B. Sharma & Co.
Chartered Accountants
FRNo. 109971W

For and on Behalf of the Board of Directors

sd/-

sd/-

sd/-

CA Umesh Sharma M.No. 104605
Partner
Place: Aurangabad
Date: 30th May, 2015

Akash Kagliwal
Whole time Director
DIN:01691724

S.S. Agrawal
Director
DIN:00119681



Audited Statement of Profit and Loss for the Year Ended 31ST March, 2015

Particulars	Note No	For the year ended 31 st March, 2015 ₹	For the year ended 31 st March, 2014 ₹
1) Revenue from Operations (Gross)	16	1,014,242,286	998,564,478
Less: Excise Duty		69,376,535	66,490,356
Revenue from operations (Net)		944,865,751	932,074,122
2) Other Income	17	13,701,510	17,220,288
3) Total Revenue (1+2)		958,567,261	949,294,410
4) Expenses			
Cost of Material Consumed	18	623,846,180	628,649,629
Manufacturing and Operating Cost	19	194,713,470	193,385,978
Changes in Inventories of Finished Goods, Work in Progress	20	21,534.634	1,968.574
Employee Benefits Expenses	21	52,991,126	60,453,518
Finance Cost	22	5,062,574	6,256,223
Depreciation and Amortisations Expenses	9	7,412,908	20,984,099
Other Expenses	23	17,979,449	18,033,006
5) Total Expenses		923,540,341	929,731,027
6) Prior Period Items	24	3,621,283	(182,695)
7) Profit / (Loss) before Tax (3-5-6)		31,405,637	19,746,078
8) Tax Expenses			
Deferred Tax		87,995,828	(522,600)
9) Profit/ (Loss) for the year (7-8)		(56,590,191)	20,268,678
Basic and Diluted Earnings per share of ₹10 each		(7.36)	1.01
Notes on Financial Statements	1 to 30		

As per our Report of even date
For R. B. Sharma & Co.
Chartered Accountants
FRNo. 109971W

For and on Behalf of the Board of Directors

sd\
CA Umesh Sharma M.No. 104605
Partner
Place: Aurangabad
Date: 30th May, 2015

sd\
Akash Kagliwal
Whole time Director
DIN:01691724

sd\
S.S. Agrawal
Director
DIN:00119681

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Year ended 31 st March, 2015 ₹		Year ended 31 st March, 2014 ₹	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		31,405,637		19,746,078
Adjustments for:				
Depreciation and amortization	7,412,908		20,984,099	
(Profit) / loss on sale / write off of assets	-		(11,419,578)	
Finance costs	5,062,574		6,256,223	
Interest income	(5,166,741)		(2,953,670)	
Liabilities/ provisions no longer required written back	(6,318,099)		(1,334,762)	
Sundry Balance Written off	110,444		1,375,820	
Other non-cash charges (Provision for Gratuity)	5,256,503	6,357,590	3,113,448	16,021,580
Operating profit/(loss) before working capital changes		37,763,227		35,767,658
Changes in working capital:				
<i>Adjustments for (increase)/ decrease in operating assets:</i>				
Inventories	(29,612,852)		(5,861,450)	
Trade receivables	56,727,466		(22,521,706)	
Short-term loans and advances	(11,198,462)		(878,198)	
Long-term loans and advances	(510,950)		(356,235)	
Other current assets	-		2,242,636	
<i>Adjustments for increase / decrease in operating liabilities:</i>				
Trade payables	15,407,351		16,275,020	
Other current liabilities	(4,167,900)		1,159,907	
Short-term provisions	(747,818)		1,007,077	
Long-term provisions	(3,099,250)	22,797,584	(2,065,469)	(10,998,418)
Net cash flow from/(used in) operating activities (A)		60,560,811		24,769,240
B. Cash flow from investing activities				
Capital expenditure on fixed assets, capital advances	(12,574,622)		(3,498,509)	
Proceeds from sale of fixed assets	-		11,500,000	
Increase in Share Capital	80,000,000		-	
Interest Received - Others	5,166,741	72,592,119	2,953,670	10,955,161
Net income tax (paid) / refunds	-	-	-	-
Net cash flow from/(used in) investing activities (B)		72,592,119		10,955,161
C. Cash flow from financing activities				
Repayment of long-term borrowings	(34,635,881)		(11,700,152)	
Repayment of other short-term borrowings	(94,083,625)		(15,991,845)	
Finance cost	(5,062,574)	(133,782,080)	(6,256,223)	(33,948,220)
Cash flow from extraordinary items	-	-	-	-
Net cash flow from / (used in) financing activities (C)		(133,782,080)		(33,948,220)
Net increase/(Decrease) in Cash and cash equivalents (A+B+C)		(6,29,151)		1,776,181
Cash and cash equivalents at the beginning of the year		4,434,132		2,657,951
Cash and cash equivalents at the end of the year		3,804,981		4,434,132
* Comprises:(a) Cash on hand	1,231,298		2,204,308	
(b) Balances with banks- (Current Accounts)	2,573,684	3,804,981	2,229,824	4,434,132

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.

As per our Report of even date
For R. B. Sharma & Co.
Chartered Accountants
FR No. 109971W

For and on Behalf of the Board of Directors

Sd/-
CA Umesh Sharma M.No. 104605
Partner
Place: Aurangabad
Date 30th May, 2015

sd/-
Akash Kagliwal
Whole time Director
DIN: 01691724

sd/-
S.S. Agrawal
Director
DIN: 00119681

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

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Authorised		
35,000,000 Equity shares of ₹.10 each with voting rights	350,000,000	350,000,000
Issued, Subscribed and fully paid up		
Opening balance 20,000,000 Equity shares of ₹.10 each	200,000,000	200,000,000
Less: Reduction in Equity Shares as per order by Hon'ble Board of Industrial Finance & Reconstruction (BIFR) Dt. 14/02/2012	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	90,000,000	200,000,000
Details of shares held by each shareholder holding more than 5% shares: Equity shares with voting rights		
Life Insurance Corporation of India	-	1,074,576
Asset Reconstruction Co (I) Ltd		-
Number of shares held	2,000,000	1,074,576
% holding in that class of shares	22.22	5.37

Note 2: RESERVES AND SURPLUS

Revaluation reserve		
Opening balance	42,252,904	42,252,904
Less: Transferred to Profit & Loss Account	580,409	580,409
Closing balance	41,672,495	41,672,495
Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(208,277,161)	(228,545,839)
Add: Reduction in Equity Shares as per order by Hon'ble Board of Industrial Finance & Reconstruction (BIFR) Dt. 14/02/2012 Refer Note No 28.12	190,000,000	-
Less: Retain Earning on Fixed Assets (Companies Act, 2015) Refer Note No 28.12	(25,927,900)	-
Less: Profit for the year period	(56,590,191)	20,268,678
Closing balance	(100,795,251)	(208,277,161)
Total	(166,604,666)	(166,604,666)

Note 3: LONG TERM BORROWINGS

(a) Term Loan		
Secured		
(1) ARC Trust	104,910,000	126,410,000
(2) Industrial Finance Corporation Ltd (IFCI)	6,554,733	8,828,689
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, Paithan Dist 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. 28.14 for repayment schedule and overdue as on 31 Mar 2015.		
Unsecured		
(3) Maharashtra State Financial Corporation Ltd (MSFC)	-	10,861,925
Refer Note No. 28.14 for repayment schedule and overdue as on 31 Mar 2015.		
Sub Total	111,464,733	146,100,614
(b) Deferred payment liabilities		
Unsecured		
Deferred Sales Tax Liabilities (Refer Note No. 28.13)	167,627,037	167,627,037
Sub Total	167,627,037	167,627,037
Total	279,091,770	313,727,651

Note 4: LONG TERM PROVISIONS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Provision for employee benefits:		
Provision for gratuity (net) (Refer Note 29.01)	21,439,628	19,568,848
Provision for other employee benefits (Leave Encashment)	3,227,400	2,734,565
Total	24,667,028	22,303,413

Note 5: SHORT TERM BORROWINGS

Unsecured		
Loans repayable on demand	1,902,720	7,286,573
Loans and advances from related parties (Refer Note 29.02)	4,457,331	2,487,112
Other Loan and advances	46,270,589	136,818,280
Total	52,630,639	146,591,965

Note 6: TRADE PAYABLE

Micro, Small and Medium Enterprises	168,497	383,111
Others	106,748,652	97,444,785
Total	106,917,149	97,827,896

Note 7: OTHER CURRENT LIABILITIES

a) Current Maturities of Long Tern Debts		
1) Bonds / Debentures		
Secured		
Non convertible Debentures	-	1,112,904
Sub Total	-	1,112,904
2) Term Loan		
Secured		
Housing Development Finance Corporation Ltd(HDFC) (Refer Note No. 3(a)(1))	-	141,621
Industrial Finance Corporation Ltd (IFCI)(Refer Note No. 3(a)(2))	2,050,000	1,025,000
Unsecured		
Maharashtra State Financial Corporation Ltd(MSFC) (Refer Note No. 3(a)(3))	4,800,000	1,875,000
Sub Total	6,850,000	3,041,621
(c) Other payables		
Statutory remittances (Contributions to PF, Withholding Taxes, Excise Duty, VAT, Service Tax etc.)	3,616,455	5,347,147
Trade / security deposits received	7,611,786	7,485,192
Advances from customers	5,859,093	3,828,112
Others	11,543,507	18,833,765
Sub Total	28,630,841	35,494,216
Total	35,480,840	39,648,741

Note 8: SHORT TERM PROVISIONS

Provision for employee benefits:		
Provision for bonus	1,473,902	2,221,720
Provision for Gratuity	2,802,180	2,870,025
Provision for Leave Entitlement	519,287	657,804
Total	4,795,369	5,749,549

Note 9: TANGIBLE ASSETS

Tangible Assets	Gross Block				Depreciation				Net Block	
	Balance as at 1 April, 2014 ₹	Additions ₹	Retained Earning ₹	Balance as at 31 March, 2015 ₹	Balance as at 1 April, 2014 ₹	Depreciation / Amortisation expense for the year ₹	Deductions ₹	Balance as at 31 March, 2015 ₹	Balance as at 31 March, 2015 ₹	Balance as at 31 March, 2014 ₹
1	2	3	4	5=(2+3-4)	6	7	8	9=(6+7-8)	10	11
Own Assets										
Free hold Land	38,739,570	-	-	38,739,570	-	-	-	-	38,739,570	38,739,570
Buildings	185,609,704	-	-	185,609,704	162,867,956	1,648,906	-	164,516,862	21,092,842	22,741,748
Plant & Equipment	1,328,592,225	12,188,747	25,783,921	1,314,997,051	1,250,925,282	5,188,773	-	1,256,114,055	58,882,996	77,666,943
Office Equipments	3,401,482	196,451	76,052	3,521,881	2,879,309	300,054	-	3,179,363	342,518	522,173
Computers	1,264,640	189,424	63,421	1,390,643	892,471	306,892	-	1,199,363	191,280	372,169
Vehicles	586,343	-	-	586,343	478,786	46,603	-	525,389	60,954	107,557
Furniture & Fixtures	3,861,023	-	4,506	3,856,517	3,603,424	63,241	-	3,666,665	189,852	257,599
Sub Total	1,562,054,987	12,574,622	25,927,900	1,548,701,709	1,421,647,228	7,554,469	-	1,429,201,697	119,500,012	140,407,759
Capital Work in Progress	-	-	-	-	-	-	-	-	1,911,195	1,911,195
Total	1,562,054,987	12,574,622	25,927,900	1,548,701,709	1,421,647,228	7,554,469	-	1,429,201,697	121,411,207	142,318,954
Previous year	1,562,091,305	3,498,505	-	1,562,054,987	1,403,537,121	21,564,508	3,454,401	1,380,953,733	142,318,954	

- i) Capital work-in-progress includes advance of ₹ 1,911,195 (Previous year ₹ 1,911,195) in respect of various plots of Agricultural Land, possession taken by the Company pursuant to the Agreement to Sale, pending payment of balance amount and registration in the name of the company and on payment of prescribed stamp duty and relevant expenses. (Amount not ascertained)
- ii) The Company is in possession of Lease hold land admeasuring 87 acre 34 guntha at Issarwadi Paithan, pursuant to Agreement to lease with Maharashtra Waqf Board entered in the year 1985 for 51 years, for which final Lease deed is yet to be executed.
- iii) Depreciation and amortization Refer Note no 28.16

Particulars	For the Year ended March, 31 st 2015 ₹	For the year ended March, 31 st 2014 ₹
Depreciation and amortization for the year on tangible assets	7,554,469	21,564,508
Less: Utilised from Revaluation Reserve (Refer Note No 2)	141,561	580,409
Depreciation and Amortization	7,412,908	20,984,099

Note 10: LONG TERM LOANS AND ADVANCES

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Unsecured, Considered good		
Deposit with government authorities & others	38,785,442	38,785,442
VAT credit receivable	3,223,458	3,179,370
TDS/TCS Credit receivable	1,967,843	1,500,981
Total	43,976,743	43,465,793

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
Total	11,802,897	11,802,897

Note 12: INVENTORIES

Raw materials	61,407,911	23,655,853
Goods-in-transit	2,544,371	903,660
Sub Total	63,952,282	24,559,513
Stock-in-process (Paper and Paper Board)	-	1,814,492
Finished goods (other than those acquired for trading)	4,458,697	23,890,800
Stores and spares	33,281,486	21,526,769
Scrap & Other Materials	203,455	491,494
Sub Total	37,943,638	47,723,554
Total (A)	101,895,920	72,283,067
Traded Goods		
Opening Stock	994,886	994,886
Add: Purchase	-	-
Less: Goods Sold	-	-
Closing Stock (B)	994,886	994,886
Total (A+B)	102,890,806	73,277,953

Note 13: TRADE RECEIVABLES

Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	826,470	163,577
Unsecured, considered good	5,447,076	4,515,942
Doubtful	6,548,867	6,548,867
	12,822,413	11,228,386
Less: Provision for doubtful trade receivables	6,548,867	6,548,867
Sub Total	6,273,546	4,679,519
Other Trade receivables		
Secured, considered good	1,278,890	701,285
Unsecured, considered good	44,419,725	103,429,266
Sub Total	45,698,615	104,130,551
Total	51,972,160	108,810,070

Note 14: CASH AND CASH EQUIVALENTS

Cash on hand	1,231,298	2,204,308
Balance with banks - In current accounts	2,573,684	2,229,824
Total	3,804,982	4,434,132

Note 15: SHORT TERM LOANS AND ADVANCES

Unsecured considered goods unless otherwise stated		
Loan and advances to related parties (Refer Note 28.02)	13,376,573	13,376,573
Loan and Advance to Employees	271,378	199,774
Prepaid Expenses	294,069	309,335
Balance with Govt. Authorities	8,998,398	5,725,109
Others	27,555,563	19,686,728
Total	50,495,981	39,297,519

Note 16: REVENUE FROM OPERATIONS

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Sale of Products		
a) Manufactured goods		
Paper & paper Board	1,007,067,784	983,800,192
Other operating revenues		
Sale of scrap (Inclusive of obsolete Plant & Machinery)	7,174,502	14,764,287
Sub Total	1,014,242,286	998,564,479
Less: Excise duty	69,376,535	66,490,356
Total	944,865,751	932,074,123

Note 17: OTHER INCOME

Interest income (Interest on overdue trade receivables)	5,166,741	2,953,670
Profit on sale of fixed Assets [net of expenses directly attributable ₹ NIL (Year ended 31 March, 2014 ₹ 11,419,578)]	-	11,419,578
Liabilities / provisions no longer required written back	6,318,099	1,334,762
Miscellaneous income		
Insurance Claim Received	2,216,671	1,512,278
Total	13,701,511	17,220,288

Note 18: COST OF MATERIAL CONSUMED

Opening stock	23,655,853	20,233,977
Add: Purchases (Raw Material & Chemicals)	661,598,238	632,071,505
	685,254,091	652,305,482
Less: Closing stock	61,407,911	23,655,853
Cost of material consumed	623,846,180	628,649,629

Note 19: MANUFACTURING AND OPERATING COST

Consumption of Stores & Spares	20,708,693	17,791,322
Consumption of Packing Material	9,309,074	8,953,257
Consumption of Power & Fuel	145,061,588	152,684,306
Repairs to Plant and Machinery	1,329,714	850,977
Water Charges	2,329,248	2,168,220
Freight and Forwarding	5,788,476	1,200,266
Other Manufacturing Expenses	10,186,677	9,737,630
Total	194,713,470	193,385,978

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

Inventories at the end of the year:		
Finished goods	4,458,697	23,890,800
Stock-in process	-	1,814,492
Scrap & Other Material	203,455	491,494
Total	4,662,152	26,196,786
Inventories at the beginning of the year:		
Finished goods	23,890,800	24,125,610
Stock-in process	1,814,492	3,431,644
Scrap & Other Material	491,494	608,106
Total	26,196,786	28,165,360
Net (increase) / decrease	21,534,638	1,968,574

Note 21: EMPLOYEE BENEFITS EXPENSES

Salaries and wages	49,481,716	55,899,760
Contributions to provident and other funds (Refer Note 9.01)	2,762,043	3,455,952
Staff welfare expenses	747,367	957,806
Total	52,991,126	60,453,518

Note 22: FINANCE COST

Interest expense on:		
Borrowings	4,550,246	5,724,948
Interest on security Deposit	512,328	531,275
Total	5,062,574	6,256,223

Note 23: OTHER EXPENSES

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Increase / (decrease of excise duty on inventory	478,304	574,210
Lease rentals	289,731	17,232
Repairs others	2,041,168	198,262
Rates and taxes	1,668,052	978,585
Communication	357,196	499,775
Travelling and conveyance	2,573,484	4,370,185
Printing and stationery	296,762	306,577
Sales discount	1,752,022	2,236,868
Business promotion	275,307	340,364
Legal and professional	3,987,635	3,011,127
Payments to Auditors – Statutory Audit	150,000	150,000
Bad trade & other receivables, loans & advances written off	110,444	1,375,820
Office Expenses	2,527,146	2,089,090
Miscellaneous	1,472,198	1,884,911
Total	17,979,449	18,033,006

Note 24: PRIOR PERIOD ITEMS

Prior Period Expenses		
Gratuity for earlier year	1,390,628	-
Leave Entitlement of earlier year	544,408	-
Miscellaneous Expenses	1,727,972	490,960
Sub Total	3,663,008	490,960
Prior Period Income		
Miscellaneous Income	41,725	673,655
Sub Total	41,725	673,655
Total	3,621,283	(182,695)

Notes forming part of the financial statements

NOTE 26: CORPORATE INFORMATION:

The company is registered with the Registrar of Companies, Maharashtra State, Mumbai vide Regn 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 27: 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 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 are 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 28: ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

28.01 Contingent Liabilities and Capital Commitments (to the extent not provided for)

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
(i) Contingent liabilities		
(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 upto 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/ Labour 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
(ii) Capital Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	2,955,914	2,955,914

28.02 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, 2015 ₹	As at 31 March, 2014 ₹
Sark Alums Pvt. Ltd.	23,035	23,035
Swastik Packaging	-	40,422
SJP Automobiles	145,462	319,654

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.

28.03 Land, certain Buildings and Plant and Machinery were revalued as on June 30, 1994 and the resultant increase in value amounting to ₹ 3,77,23,368 for Land, ₹1,75,87,749 for Buildings and ₹.6,66,86,621 for Plant and Machinery aggregating to ₹.12,19,97,738 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, 2015 ₹	As at 31 March, 2014 ₹
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

28.04 Value of imports calculated on CIF basis

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Raw materials & Chemicals (Imported & High seas Purchases)	190,878,910	130,906,538
Spare parts	Nil	Nil

28.05 Details of consumption of imported and indigenous items

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	₹	%	₹	%
Imported/High seas Purchases				
Raw materials and Chemicals (Imported & High seas)	197,412,522	100.00	142,338,903	100.00
	197,412,522	100.00	142,338,903	100.00
Indigenous				
Raw materials and Chemicals	426,433,657	95.37%	486,118,487	96.47
Stores and Spare parts	20,708,693	4.63%	17,791,322	3.53
	447,142,350	100.00	503,909,809	100.00

28.06 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.

28.07 (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.

28.08 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.

28.09 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

Name of the Party	Amount outstanding as on 31 st March, 2015 ₹	Maximum outstanding during the year ₹	No of equity Shares held in the Company as on 31 st March, 2015	Maximum no of equity shares held in the Company during the year
Nath Foundation	Nil (549,976)	549,976 (549,976)	Nil (Nil)	Nil (Nil)
Nath Industrial Chemicals Ltd	13,376,573 (13,376,573)	13,376,573 (13,376,573)	Nil (Nil)	Nil (Nil)
Paithan Mega Food Park Pvt Ltd	4,358,194 (181,105)	4,358,194 (3,046,335)	Nil (Nil)	Nil (Nil)
N Kagliwal Education & Reserch Pvt Ltd	1,549,976 (Nil)	1,549,976 (Nil)	Nil (Nil)	Nil (Nil)
NathBiogenes (India) Ltd	Nil (Nil)	142,826 (10,940,192)	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.

28.10 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.

28.11 The Financial Statements for the year ended 31st March, 2015 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).

28.12 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.

b) The Company being aggrieved by certain directions of the summary of proceedings passed by Hon'ble BIFR, has filed an appeal with Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) against the direction given by Hon'ble BIFR for reducing the capital of company. Hon'ble Appellate Authority for Industrial and Financial Reconstruction (AAIFR) has remanded back the matter involved in appeal to Hon'ble BIFR and deciding the issue afresh. Now Hon'ble BIFR vide Order dated 01/07/2013 approved reduction of Capital. The existing share capital of the company shall be reduced by 95% by writing off accumulated losses to that extent and then every twenty equity shares of ₹. 0.50/- each are to be consolidated into one equity share of ₹. 10/- each fully paid up in terms of sec. 18(2) (f) of the SICA without the requirement of following the provisions of section 100-103 of the erstwhile Companies Act, 1956 and without following any guidelines of SEBI/ BSE / ASE or any other guidelines. Reduction of share capital as per above order has taken place on 30.05.2014.

c) The Company has allotted 2,000,000 equity shares of ₹.10/- each on 31.05.2014 against the conversion of secured loan of Arc-Trust as per BIFR order dated 01.07.2013. Further the Company has made preferential allotment of shares as follows on 31.05.2014 with a lock in period of 3 years

Sr.No.	Name	No. of shares
1	Tapovan Paper & Board Mills Ltd	2,000,000
2	Akash Farms Pvt Ltd	2,000,000
3	Ashu Farms Pvt Ltd	2,000,000
	TOTAL	6,000,000

- 28.13 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., 1st 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. The extension is pending; hence the contingent liability arising in the event of non-extension is not ascertainable.
- 28.14 Repayment Schedule, as per sanction order dt. 14/02/2012 of Hon'ble BIFR towards repayment to secured and unsecured borrowings and their overdue as on 31 March 2015 is 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 2015 of ₹.104, 910,000 (Previous year ₹.106, 410,000) and un -provided interest of ₹.128,640,719 (Previous year ₹115,433,476)
 - 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 ₹. 6,554,733 (Previous year ₹.8,828,689) overdue as on 31 March 2015.
 - 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 ₹.4, 00,000 (previous year ₹. 10,861,925) overdue as on 31 March 2015.
- 28.15 Overdue installments of financial Institutions as on 31 March 2015 are recognized as long term Borrowings instead of current liabilities as required under Schedule III. Outstanding balances as on 31st March 2015 subject to reconciliation.
- 28.16 Pursuant to the enactment of Companies Act 2013, the company has applied the estimated Useful lives as specified in Schedule II. Accordingly the unamortized carrying value is being depreciated / amortized over the revised/remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted in the opening balance of Profit and Loss Account.

NOTE 29: DISCLOSURES UNDER ACCOUNTING STANDARDS

29.01 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 ₹.2, 762,043 (Year ended 31 March, 2014 ₹.3, 033,863) 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 schemes to its employees:

i. Gratuity

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

Particulars	Year ended 31 March, 2015 ₹	Year ended 31 March, 2014 ₹
Components of employer expenses		
Current service cost	888,774	898,204
Interest cost	2,035,206	1,715,769
Actuarial losses/(gains)	1,268,828	(121,947)
Total expense recognised in the Statement of Profit and Loss	4,192,808	2,492,026
Actual contribution and benefit payments for year		
Actual benefit payments	2,389,873	1,500,261
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(24,241,808)	(22,438,873)
Net asset / (liability) recognised in the Balance Sheet	(24,241,808)	(22,438,873)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	22,438,873	21,447,108
Current service cost	888,774	898,204
Interest cost	2,035,206	1,715,769
Actuarial (gains) / losses	1,268,828	(121,947)
Benefits paid	(2,389,873)	(1,500,261)
Present value of DBO at the end of the year	(24,241,808)	22,438,873
Actuarial assumptions		
Discount rate	7.92%	9.07%
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 increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.		
Experience Adjustments		
Gratuity Present Value of DOB	24,241,808	22,438,873
Experience gain /(loss) adjustments on plan liabilities	(179,145)	1,249,345

- 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, 746,687 (March 31, 2014 ₹.3, 392,369).

29.02 Related Party Transactions

Details of related parties:

Associates

1. Nath Bio-Genes (India) Ltd.
2. Nath Nirman Infra Pvt. Ltd.
3. Tapovan International Trading Pvt. Ltd.
4. Nath Industrial & Chemicals Ltd.

Key Management Personnel (KMP)

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

Relatives of KMP

Mr. Nandkishor Kagliwal (Father of Mr. Akash Kagliwal)

Details of related party transactions during the year ended 31 March, 2015 and balances outstanding as at 31 March, 2015:

Particulars	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
Purchases:		
Tapovan International Trading Pvt. Ltd.	229,387,505	46,832,340
Finance (including loans and equity contributions in cash or in kind)		
Given / Repaid		
Nath Bio-Genes (India) Ltd.	10,158,742	5,482,994
Nath Nirman Infra Pvt Ltd.	8,908	9,700
Received		
Nath Bio-Genes (India) Ltd.	10,158,742	5,482,994
Nath Nirman Infra Pvt Ltd	-	-
Balances outstanding at the end of the year		
Tapovan International Trading Pvt. Ltd.	25,615,165	14,901,565
Loans and advances		
Advance Given		
Nath Bio-Genes India Ltd	-	-
Nath Industrial Chemicals Ltd	13,376,573	13,376,573
Borrowings		
Advances Received		
Nath Nirman Infra Pvt Ltd	2,478,204	2,487,112
Key Management Personnel (KMP)		
Mr. Akash Kagliwal (Whole Time Director)		
Given / Repaid	877,848	-
Balances outstanding at the end of the year (Advance Received)	1,979,127	2,856,975
Salary	1,200,000	1,200,000
Vijay Saboo (CFO)		
Salary	1,390,800	1,398,800
Balances outstanding at the end of the year	-	-
Relatives of KMP Mr. Nandkishor Kagliwal		
Repaid	1,352,964	334,200
Received	1,352,964	334,200
Balances outstanding at the end of the year (Advance Received)	-	-
Deposit for office Premises		
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.

Note 29.03: Earning per Share

Particulars	year ended 31 st March, 2015 ₹	year ended 31 st March, 2014 ₹
Earnings per share		
<u>Basic and Diluted</u>		
<u>Total operations</u>		
Net profit / (loss) for the year	(56590191)	20,268,678
Weighted Average Number of Equity Shares	7,684,932	20,000,000
Par value per share	10	10
Earnings per share - Basic and Diluted	(7.36)	1.01

Note 29.04: Deferred Tax Assets

Particulars	year ended 31 st March, 2015 ₹	year ended 31 st March, 2014 ₹
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	3,665,857	-
Sub Total (a)	3,665,857	-
Tax effect of items constituting deferred tax assets		
Provision for doubtful debts and advance	-	-
Disallowance u/s 40(a)(i), 43(B) of the Income Tax Act, 1961	1,555,857	-
Carried forward unabsorbed depreciation	142,741,989	235,959,531
Brought forward business losses	-	-
Sub Total (b)	144,297,846	235,959,531
Net Deferred Tax Assets (b-a)	147,963,703	235,959,531

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 30: 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

Sd/-
Akash Kagliwal
Whole Time Director
DIN: 01691724

sd/-
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 st March 2015
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. Akash Kagliwal 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

40th Annual General Meeting – 30TH Sept., 2015

No. of Shares held _____

Regd. Folio No. _____

D. P. ID No. _____

Client ID No. _____

I/We _____ of _____

being a Member/Members of Nath Pulp and Paper Mills Limited. hereby 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 Wednesday, September 30, 2015 and at any adjournment thereof.

Signed on this _____ day of _____ 2015

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 holding
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

40th Annual General Meeting – 30th September, 2015

I hereby record my presence at the 40th ANNUAL GENERAL MEETING of the Company held at Nath House, Itkheda Paithan Road,
Aurangabad -431005 on Wednesday, September 30, 2015 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) _____

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