



MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DIV	NA
TRA	NA		AC	✓
AGM	✓	NA	SHI	✓
YE	✓	NA		

## 23rd Annual Report 1997-98

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**NATH  
GROUP**

**Nath pulp & paper mills Ltd.**

The image is a low-quality scan of a document, likely a form or ledger. It features a header section with labels such as 'DATE', 'NAME', and 'ADDRESS'. The main body of the document consists of multiple rows and columns, with some text and numbers visible, though they are largely illegible due to the scan quality. On the right side, there is a vertical column of numbers or codes. The overall appearance is that of a historical or official record.

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**Chairman**

Shri Nandkishor Kagliwal

**Directors**

Shri Anvikar J. G.

Shri Attal R. B.

Shri Chechani S. D.

Shri Desai R. M. (ICICI Nominee)

**Executive Director**

Shri Dutt D. K.



**NATH  
PULP & PAPER  
MILLS  
LTD.**

**Auditors**

Lodha & Company

Chartered Accountants

Karim Chambers

40, Hamam Street

Ambalal Doshi Marg,

Mumbai - 400 023

**Bankers**

State Bank of India

State Bank of Hyderabad

**Nath pulp & paper mills Ltd.**



**Registered Office**

Nath House  
Nath Road,  
Aurangabad - 431 005.

**Sales Office**

1, Chateau Windsor  
86, Veer Nariman Road  
Churchgate  
Mumbai - 400 020.

**Factory**

Nathnagar - 431 148.  
Tal. Paithan  
Dist. Aurangabad  
Maharashtra

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**Nath pulp & paper mills ltd.****NOTICE**

To

The Members of

Nath Pulp & Paper Mills Ltd.

NOTICE is hereby given that the 23rd Annual General Meeting of Nath Pulp & Paper Mills Limited will be held as indicated below :

Day : Wednesday  
 Date : 31st March, 1999  
 Time : 4 P.M.  
 Place : Nath House, Nath Road, Aurangabad (M.S)

to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider, approve and adopt the Profit & Loss Account for the year ended 30th June, 1998, the Balance Sheet as at that date and to adopt the Reports of the Directors and Auditors thereon.
2. To appoint Shri. S. D. Chechani as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Shri. R. B. Attal as Director of the Company who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Lodha & Company, Chartered Accountants, Mumbai, the Auditors of the Company retire at the end of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

**SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass with or without modification, the following as a Special Resolution :  
 "RESOLVED THAT pursuant to the provisions of Section 81 (1-A) and other applicable provisions if any, of the Companies Act, 1956 and subject to the approval of SEBI, if required, and such other approvals consents or permissions of any other authority, institutions or bodies as may be necessary and subject to guidelines issued or to be issued by any other authority and subject to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (hereinafter referred to as "The Board") and as may be prescribed in granting such approvals, permission and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors to create, offer and issue Equity Shares by way of Private Placement / Preferential Allotment to Banks, Financial Institutions, Promoters and their relatives, Associate Companies, Collaborators as may be determined by the Board of Directors upto 2,00,00,000 Equity Shares of Rs.10/- each for cash at par aggregating to Rs.20,00,00,000/- on the following terms and conditions.
  - i) The entire nominal value shall be payable at the time of application and/or in one or more calls as may be decided by the Board of Directors.
  - ii) The new Equity Shares shall be issued subject to Memorandum and Articles of Association of the Company.
  - iii) The Equity Shares to be issued shall rank pari-pasu in all respects with the existing Equity Shares of the Company, save and except that they will not be entitled to dividend which may be declared or paid by the Company for the period prior to the date of allotment and that such Equity Shares will be entitled to pro-rata dividend from the date of allotment for the financial year in which they are allotted.
  - iv) No letter of allotment will be issued in respect of the new Equity Shares; the Share Certificates, however, shall be kept ready for delivery within three months after the allotment as may be permitted by the Company Law Board as per the provisions of the Section 113 of the Companies Act, 1956, and other relevant provisions of the Act.

**Nath pulp & paper mills Ltd.**

- v) For the purpose of giving effect to this resolution, the Board or a Committee thereof, be and is hereby authorised to prescribe the terms and conditions of the offer and other documents that may be necessary in respect of the offer and issue of the aforesaid new Equity Shares, to determine the amount payable on application, allotment and by way of further calls, if any, in respect thereof to give such other directions as the Board may deem fit and proper to do all such acts, deeds, things and matter of whatsoever nature that may be incidental thereto, including but not limited to setting of any question, doubt or difficulty of the said Shares as the Board in its absolute discretion consider necessary, expedient and proper.

**By order of the Board**

Registered Office:  
Nath House, Nath Road,  
Aurangabad.

Nandkishor Kagliwal  
Chairman

Dated : 1st March, 1999

**NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy instead of himself and the proxy need not be a member of the Company.
2. An explanatory statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Business at Item No.5 of the above Notice is annexed.
3. In case the members wish to seek any information on accounts and operations of the Company, they are requested to send their queries in writing at least ten days in advance before the date of the meeting so that the information can be made available at the time of the meeting.
4. Members are requested to notify immediately any change in their address to the Company at its Registered office.
5. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd March, 1999 to 30th March, 1999 both days inclusive.

**ANNEXURE TO THE NOTICE**

**Explanatory Statement**

(Pursuant to Section 173 of the Companies Act, 1956)

**Item No.5 :**

The Company is exploring possibilities of collaboration/strategic alliance with a view to acquire modern technology and diversify the product base. The Company also needs equity funds to support the existing operations. It is necessary for the company, therefore, to increase its equity base by way of further issue of shares. Hence this resolution.

# Nat'l pulp & paper mills Ltd.



## REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30th JUNE, 1998.

Dear Shareholders :

Your Directors have pleasure in presenting to you the 23rd Annual Report and Audited Accounts of the Company for the year ended 30th June, 1998.

### FINANCIAL RESULTS

Results for the year 1997-98 are as under :

	Rupees in lacs	
	1997-98	1996-97
Sales and other Income	2367	4073
Profit/(Loss) before depreciation	(1290)	(630)
Depreciation	385	362
Net Profit/(Loss) for the year	(1675)	(992)
Prior period adjustment (Net)	141	(99)
Net Profit/(Loss)	(1534)	(1091)

### YOUR COMPANY

The year under review has continued to be critical for the company in view of the persisting uncertainty in the Paper Industry. As a result the levels of production and sales have been substantially lower compared to the previous year. Nevertheless, your Company has made concerted efforts to combat the situation by intensifying its attention on productivity, cost reduction and broadening of product segment.

The paper industry in India is fighting a battle for survival in last three years. The problem started with substantial reduction of custom duty in the year 1996. It was further compounded by low price of paper in International Market. The cheaper import of paper resulted into reduced demand of indigenous paper and ultimately number of paper mills were closed down. The Government has taken some measures by increasing the Custom Duty and introduction of Special Additional Custom Duty. However, the remedial measures have not been of any help to the paper industry.

We are proud to say that even during such difficult time the management could run the plant at 40% capacity keeping in mind the interests of labour, employees and also relationship developed with suppliers and customers over two decades. The decision taken has really helped us now when there is favourable environment for our plant. There is reduction in procurement cost of bagasse and caustic soda substantially which has made possible to start the second machine. The capacity utilisation in the month of February, 1999 is 70%, which is likely to go upto 80% in March 99. We expect this trend to continue. The company has large interest burden and overdues with institutions. We have submitted a restructuring proposal to the banks and institutions and expect a favourable response.

### AUDITORS' REPORT

The notes referred to by the Auditors in their report are self explanatory and do not require any further explanation.

### DIRECTORS

Shri. R. B. Attal and Shri. S. D. Chechani, Director of the Company retire by rotation and, being eligible, offer themselves for re-appointment.

### DIVIDEND

In view of the cash losses your Directors are unable to recommend any dividend for the year.

### AUDITORS

Messrs. Lodha & Company, Chartered Accountants, Mumbai, the Auditors of the Company retire at the end of forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

As per Rule 2 of Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, the particulars relating to the conservation of energy and foreign exchange earning and outgo are given in Annexure I to this Report.

### PARTICULARS OF EMPLOYEES

None of the employees of the Company is covered under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975.

### APPRECIATION

The Directors place on record their sincere appreciation of the services rendered by all the employees of the Company whose concerted efforts and dedicated services have contributed to the sustenance of the Company. The Company is also grateful to participating Financial Institutions, Banks and Government Officials for their continued support.

By order of the Board

Place : Aurangabad

Nandkishor Kagiwal

Dated : 15th February, 1999

Chairman



Nata pulp &amp; paper mills Ltd.

**ANNEXURE TO DIRECTORS' REPORT**

**FORM A**  
**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO**  
**CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNING AND OUTGO**

	1997-98	1996-97
<b>1 CONSERVATION OF ENERGY</b>		
<b>A. Power and Fuel consumption</b>		
<b>i) Electricity</b>		
ii) Units (KWH)	10513844	15098930
iii) Total Amount (Rs.in lacs)	390.53	542.17
iv) Rate Per Unit (Rs.)	3.71	3.59
<b>1. Coal</b>		
i) Quantity (M.T)	14921	32525
ii) Total Cost (Rs.in lacs)	254.26	554.27
iii) Rate per M.T. (Rs.)	1704	1704
<b>B. Consumption per M.T. of Production</b>		
i) Electricity (KWH)	763	631
ii) Coal (M.T)	1.08	1.03
<b>2. FOREIGN EXCHANGE EARNING AND OUTGO</b>		
<b>A. Foreign Exchange Earned (Rs.in lacs)</b>	Nil	Nil
<b>B. Outgo of Foreign Exchange (Rs.in lacs)</b>		
<b>1. Value of Imports (CIF)</b>		
i) Raw materials	271.86	159.53
ii) Spare parts and consumables	Nil	Nil
iii) Capital Goods	Nil	Nil
<b>2. Travelling Expenses and others</b>	2.38	1.71

**FORM B**  
**FORM FOR DISCLOSURE OF PARTICULARS**  
**WITH RESPECT TO TECHNOLOGY ABSORPTION**

<b>1. Specific areas in which R&amp;D: carried out by the Company.</b>	i. Development of new products a) Mediä Kraft b) Regular Kraft c) Textube Paper ii. Conservation of Electrical Energy. iii. Stablising Chemical Recovery Plant. iv. Improving the performance of Effluent Treatment Plant for captive irrigation.
<b>2. Benefits derived as a result of the above R &amp; D</b>	i. 50% of order booking from new products. ii. Reduction in power consumption per ton of paper. iii. Reduction of pollution load.
<b>3. Future Plans</b>	i. Cost reduction ii. Quality improvement iii. To finalise the concept of continuous Digester for cooking of bagasse.
<b>4. Expenditure on R &amp; D</b>	
a) Capital	Rs. 8.28 lacs
b) Recurring	Rs. 3.55 lacs
c) Total	Rs. 11.83 lacs
d) Total R&D Expenditure as % of total turnover	Rs. 0.50 %



Nath pulp &amp; paper mills ltd.



## AUDITORS' REPORT

TO

THE MEMBERS OF  
NATH PULP AND PAPER MILLS LIMITED

We have audited the attached Balance Sheet of **NATH PULP AND PAPER MILLS LIMITED** as at 30th June, 1998 and also the annexed Profit & Loss Account for the year ended on that date and report that:

1. During the year, the company has spent Rs.270.94 lacs on Civil work (included in Building - Schedule 6) and Rs.550.00 lacs in respect of Plant and Machinery being the modifications made to the existing plant. There being no comparative quotations, the auditors have, being a technical matter, relied upon the technical evaluation made by the approved valuer, inter-alia, certifying that the modifications made to plant and machinery have enhanced the value thereof.  
  
Further, pre-operative expenses of Rs. 252.74 lacs allocated to aforesaid Civil work and modification of plant and machinery, in our opinion, should have been charged as revenue expenditure.
2. Capital work in progress includes Rs. 118.92 lacs being amount spent on new projects viz; Newsprint, Poy and Power Projects lying in abeyance since last more than four years. The same has been treated as deferred revenue expenditure and 20% thereof has been written off during the year. In our opinion the same should have been fully written off in view of continuing uncertainty in pursuing these projects.
3. In our opinion, in respect of Soda Recovery Plant, the finance cost and other expenses aggregating to Rs.890.27 lacs incurred in the preceding year and included in the value of Soda Recovery Plant should have been considered as deferred revenue expenses (to be amortised over a period during which benefits are expected to accrue) instead of capitalising the same to the said plant.
4. The accounts of certain parties in respect of debtors, creditors, loans & advances and un-secured loans are subject to confirmations, reconciliations and adjustments, if any (Refer Note No.19 in Schedule 20 to the Accounts).
5. Subject to what is stated at paragraph 4 above, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
6. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
7. In our opinion, the Balance Sheet and Profit & Loss Account comply with the Accounting standards specified (as mandatory) by the Institute of Chartered Accountants of India.
8. Subject to what is stated at paragraphs 1 to 3 above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
9. In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to what is stated at paragraphs 1 to 4 above; Note No.6 regarding non-accounting of accrued interest of Rs.474.38 lacs on borrowings from financial institutions pending settlement/finalisation of the Company's proposal for remission in the rate of interest; Note No.17 regarding non provision of depreciation of Rs.339.50 lacs (including Rs.169.75 lacs for the year) in respect of Soda Recovery Plant, and