

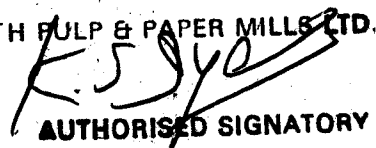


**TAPOVAN**  
PAPER AND BOARD

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**28th  
ANNUAL REPORT  
2002-2003**

For NATH PULP & PAPER MILLS LTD.

  
AUTHORISED SIGNATORY

**NATH  
GROUP**

**Nath pulp & paper mills ltd.**

**Nath pulp & paper mills ltd.**



**Directors**

Shri R. B. Attal  
Shri J. G. Anvikar  
Shri D. K. Dutt  
Shri A. S. Sachdeva  
Shri Akash Kagliwal

**Auditors**

Lodha & Company  
Chartered Accountants  
Karim Chambers  
40, Hamam Street  
Ambalal Doshi Marg,  
Mumbai - 400 023



**NATH  
PULP & PAPER  
MILLS  
LTD.**

**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 28th Annual General Meeting of Nath Pulp & Paper Mills Limited will be held as indicated below :

Day : Tuesday  
Date : 30th September, 2003  
Time : 4 P.M.  
Place : Registered Office at Nath House, Nath Road, Aurangabad.

to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider, approve and adopt the Profit & Loss Account for the year ended 31st March, 2003, the Balance Sheet as at that date and to adopt the Reports of the Directors and Auditors thereon.
2. To appoint Shri D.K.Dutt as a Director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Lodha & Company, Chartered Accountants, Mumbai, as the Auditors of the Company, who retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Registered Office:  
Nath House, Nath Road,  
Aurangabad-431 005.

By order of the Board

Dated : 4th September, 2003

**D. K. Dutt**  
Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and the proxy need not be a member of the Company.
2. 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.
3. Members are requested to notify immediately any change in their address to the Company at its Registered office.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 29th September, 2003 to 30th September, 2003 both days inclusive.



**Nata pulp & paper mills Ltd.**



## **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH, 2003.**

Dear Shareholders

Your Directors' have pleasure in presenting this 28th Annual Report and the Audited Financial Statements for the year ended 31st March 2003

### **Financial Results:**

Results for the Year ended 31st March 2003 are as under:

Particulars	Year ended 31st March, 2003	Period ended 31st March, 2002
Sales and other Income	4407.71	4038.92
Profit/(Loss) before depreciation	(2823.69)	(2293.97)
Depreciation	680.79	679.60
Net Profit/(Loss) for the year	( 3504.48)	(2973.57)
Exceptional Items	176.68	(4.53)
Net Profit/(Loss)	(3327.80)	(2978.10)

### **YOUR COMPANY**

The year covered by this report was a critical one for the Company. The ramifications of the inadequacy of the need based Working Capital notwithstanding, the Directors believe, the Company has displayed the resilience to keep the operations going and has maintained the activity levels which were satisfactory. The Company has also remained focused on its cost leadership to exploit the available business opportunities.

In order to be able to adapt to and meet the demanding needs of the emerging market, the Company has initiated certain key measures; namely a significant shift in its product mix. The product range has undergone a major change. This would enable the Company to leverage its brand for superior products, volumes and a significant value addition. Further, the Company has intensified its efforts to cut costs at all levels. While doing so, it has remained focused on strict adherence to quality parameters to ensure enhanced customer satisfaction. These measures, the Directors believe, would result in a purposeful working of the Company.

### **FINANCIAL RESTRUCTURING**

The proposal submitted to the Financial Institution for a restructuring of the company's debts is under the active consideration of the Financial Institution and is progressing well. The Promoters, as always, remain committed to contribute to the best of their ability to bring the unit back to health.

### **AUDITORS' REPORT**

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

### **DIRECTORS**

During the year, Shri R.B.Attal and Shri J.G.Anvikar resigned from the Directorship of the Company. Your Board places on record its deep sense of appreciation of the valuable contribution made by Shri R.B.Attal and Shri J.G.Anvikar in guiding the destinies of the Company through their experience and matured guidance.

Shri D.K.Dutt, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

### **AUDITORS**

Messrs Lodha and Company, Chartered Accountants, Mumbai, retire as Auditors of the Company at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

**Nati pulp & paper mills Ltd.**



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

In terms of rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988) the relevant particulars are given in the Annexure 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.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In terms of the provisions of section 217(2 AA) of the Companies Act, 1956 the Directors' confirm:

- a) that in the preparation of the Accounts for the year ended 31st March 2003, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and the profit and loss of the Company for that year;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

### **CORPORATE GOVERNANCE**

As per Clause 49 of the listing agreement with the Stock Exchange, a separate section on Corporate Governance and Management Discussion and Analysis together with a certificate from the Company's Auditors' confirming compliance is set out in the annexure forming part of this report.

### **ACKNOWLEDGEMENTS**

The Directors' take this opportunity to thank all the employees for rendering impeccable service to the well being of the Company. The Company is also grateful to Financial Institutions, Banks, and Govt. officials for their continued support.

For and on behalf of the Board

Place : Aurangabad  
Dated : 29<sup>th</sup> August, 2003

D.K.Dutt  
Director



Nati 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**

	2003-2004	2001-2002
<b>1 CONSERVATION OF ENERGY</b>		
A. Power and Fuel consumption		
I) Electricity		
i) Units (KWH)	9084491	10588842
ii) Total Amount (Rs.in lacs)	371.28	385.95
iii) Rate Per Unit (Rs. in lacs)	5.87	3.64
II. Coal		
i) Quantity (M.T)	14481	31615
ii) Total Cost (Rs.in lacs)	484.34	589.70
iii) Rate per M.T. (Rs.)	1878	1865
B. Consumption per M.T. of Production		
i) Electricity (KWH)	486	402
ii) Coal (M.T)	1.37	1.14
<b>2 FOREIGN EXCHANGE EARNING AND OUTGO</b>		
A. Foreign Exchange Earned (Rs.in lacs)	Nil	Nil
B. Outgo of Foreign Exchange (Rs.in lacs)	Nil	Nil
1. Value of Imports (CIF)		
i) Raw Materials (Rs. in lacs)	217.94	410.19
ii) Spare Parts and Consumables	Nil	Nil
iii) Capital Goods	Nil	Nil
2. Travelling Expenses and others (Rs. in lacs)	Nil	0.18

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

1. Specific areas in which R&D carried out by the Company.	i. Development of High strength Kraft Paper ii. Rationalisation of quality parameters iii. Energy conservation
2. Benefits derived as a result of the above R & D	i. High realization ii. Reduction in energy cost in the year ahead.
3. Future Plans	Production of Value added Paper
4. Expenditure on R & D	
a) Capital	---
b) Recurring	Rs. 13.05 lakhs
c) Total	Rs. 13.05 lakhs
d) Total R& D Expenditure as % of total turnover	0.30%



**Nati pulp & paper mills Ltd.****CORPORATE GOVERNANCE :**

The Securities and Exchange Board of India has introduced an exhaustive code on Corporate Governance and is expected to be implemented by the listed Companies.

In keeping with the guidelines, the company has implemented the code.

Company's Philosophy on code of Governance :

The Company's philosophy on Corporate Governance enshrines the principles of attainment of the highest levels of transparency, accountability and equity, in all the spheres of its operations and in all its inter-actions with its shareholders, employees, the Government and the lenders.

Company believes that its operations and actions must serve the underlying mission of enhancing shareholder value on a continuous and sustained basis.

**1. Board of Directors :**

The Company has on its Board eminent personalities from diverse fields. The composition of the board is a mix of Non-executive and Independent Directors.

Director	Category	No. of Outside Directorship held		No. of Outside Committee Position held		Remarks
		Public	Private	Member	Chairperson	
Shri. R. B. Attal	Non-Executive	None	None	None	None	Resigned on 29.07.2002
Shri. J. G. Anvikar	Non-Executive	None	None	None	None	Resigned on 07.01.2003
Shri. D. K. Dutt	Independent	None	None	None	None	
Shri. Akash Kagiwal	Independent	None	None	None	None	
Shri. A. S. Sachdeva	Independent	None	None	None	None	

**2. Share Transfer Approval Committee and Shareholders' Investor Grievances Committee:**

The Company has constituted the Shareholders / Investors' grievance committee comprising Mr.R.B.Attal, Mr. J.G.Anvikar and Mr. D.K.Dutt, Directors of the Company Mr. A.S.Sachdeva, Director, was inducted on the committee in January 2003, on the cessation of Mr.J.G.Anvikar from the Directorship of the Company.

The committee deals with various matters relating to :-

- A. Transfer / transmission of shares
- B. Review of shares dematerialised and all other related matters
- C. Monitoring of expeditious redressal of investors' grievances
- D. Other matters relating to shares

Company's shares are compulsorily traded in the dematerialized form and have to be delivered in the dematerialised form in all Stock Exchanges. To expedite transfers in the 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 2003.

**Nat/pulp & paper mills ltd.**

Compliance officer:

Mr. Sunil Dixit is the compliance officer of the Company.

### 3. Disclosure on remuneration paid to Directors :

Details of the remuneration paid to the Board of Directors are given in para 5 of this section.

### 4. Board Meetings :

The Board of Directors met 5 times during the year, as detailed below. Agenda papers were circulated in advance of each meeting to all Directors and all relevant information as required under Clause-49 of the Listing Agreement were placed before the Board from time to time.

Date of Board Meeting	City	No. of Directors Present
30 <sup>th</sup> April 2002	Aurangabad	2
29 <sup>th</sup> July 2002	Aurangabad	3
31 <sup>st</sup> August 2002	Aurangabad	4
31 <sup>st</sup> October 2002	Aurangabad	4
31 <sup>st</sup> January 2003	Aurangabad	3

Disclosures on the attendance record and remuneration paid to Directors is as under :

Directors	Sitting fees paid during the year	No. of Board Meetings		Attended Last AGM held on 30 / 09 / 2002
		Held	Attended	
Shri. J. G. Anvikar	4000	5	4	Yes
Shri. D. K. Dutt	5000	5	5	Yes
Shri. A. Sachdeva	4000	5	4	Yes
Shri. A. Kagliwal	3000	5	3	Yes

### 5. Company related information:

The Company is furnishing quarterly results to the Stock Exchange Mumbai to enable it to put the information on its web-site.

### 6. Audit Committee:

The Company has constituted an Audit Committee comprising three Directors, majority of whom are independent Non-executive Directors. The Committee comprises the following:

Shri Akash Kagliwal (Chairman)  
Shri D.K. Dutt  
Shri A.S. Sachdeva

The terms of reference stipulated by the Board to the Audit Committee are in terms of Clause 41 of the Listing Agreement detailed as under:

- A. Formulation of Company's financial reporting process and the disclosure of its financial information ;
- B. Recommending appointment of the Statutory Auditors' of the Company and fixing their remuneration;