



32nd

Report Junction
ANNUAL REPORT

2006-2007

NATH
GROUP

Nath pulp & paper mills Ltd.

Nath pulp & paper mills Ltd.



Directors

Shri. D. K. Dutt
Shri. L. Kash Kagliwal
Shri Mahesh Mehta

Auditors

Lodha & Company
Chartered Accountants
Karni Chambers
40, Miamam Street
Amlalal Doshi Marg,
Mumbai - 400 023



**NATH
PULP & PAPER
MILLS LTD.**

Bankers

State Bank of India
State Bank of Hyderabad

Registrar & Share Transfer Agent

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

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 48.
Tal. Paithan
Dist. Aurangabad
Maharashtra

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

To
The Members of
Nath Pulp and Paper Mills Ltd.

Notice is hereby given that the 32nd Annual General Meeting of Nath Pulp and Paper Mills Ltd. will be held as indicated below:

Day : Friday
Date : 30.11.2007
Time : 11 AM
Place : Registered Office at Nath House Paithan Road, Aurangabad -431005

To transact the following business:

ORDINARY BUSINESS

- 1 To receive, consider, approve and adopt the Directors' Report, Auditors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2007
- 2 To appoint a Director in place of Mr. Mahesh Mehta who retires by rotation and being eligible offers himself for reappointment.
- 3 To appoint M/s Lodha and Company, Chartered Accountants, Mumbai, the retiring Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be decided by the Board of Directors.

By Order of the Board

Akash Kagliwal
Whole time Director

Registered office

Nath House, Nath Road
Aurangabad- 431005

Dated: 05.11.2007

Nati pulp & paper mills Ltd.



Notes:-

- 1) A member entitled to vote at the meeting is entitled to appoint a proxy. The proxy need not be a member of the Company.
- 2) Members are requested to notify any change in their address to Company's registrars , Bigshare Services Pvt. Ltd. – E -2/3, Ansa industrial Estate , Sakivihar Road, Saki Naka, Andheri (East) Mumbai -400072 .
- 3) The Register of Members and Share Transfer Books of the Company will remain closed during 29.11.2007 to 30.11.2007 (both days inclusive).

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REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2007

Dear Shareholders

Your Directors' have pleasure in presenting the Annual Report and the Audited Financial Statements for the year ended 31st March 2007. .

Financial Results :

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

Rs. in lacs		
Particulars	Year ended 31 st March, 2007	Year ended 31 st March, 2006
Sales and other income	7252.40	5319.48
Profit /(Loss) before depreciation	332.53	262.71
Depreciation	422.37	406.84
Net/profit /(loss) for the year	(93.75)	(147.34)
Exceptional Items	(66.84)	(584.89)
Net Profit / (Loss)	(160.59)	(732.23)

Your Company :

Production during the year aggregated to 29539 tons as compared to 21485 tons in the previous year, Capacity utilization was at 77 percent. The increase in the capacity utilization has been essentially due to improved levels of production of coated and SS Maplitho grades Paper.

Market Scenario :

Paper Industry has been growing consistently at 6 to 8 % over the past few years that has resulted in a substantial increase in the demand for value added products. This trend is expected to continue in the years ahead.

Strategic Initiatives :

With a view to reap the maximum benefit of the resurgence in the paper industry, Your Company has taken certain effective measures in the direction of modifying of paper machine -1 in order to enhance its capabilities to produce quality grade SS Maplitho Paper. While the results of the said modification have been satisfactory, it is being further modified to improve upon the quality of SS Maplitho Paper.

Nabl pulp & paper mills Ltd.

On completion of the modification work, your company is confident of reaching best quality of Maplitho Paper to its customers at the most competitive price .Your company is thus poised to enter the next orbit of growth.

Financials :

Your Company has negotiated restructuring of its dues with financial institutions and banks. The scheme of rehabilitation has been filed by the Company in the Hon'ble Board for Industrial and Financial Reconstruction. The Company is making the best of efforts to expedite the process. .

Auditors' Report :

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

Directors :

Mr. Mahesh Mehta, 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.

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 :

Pursuant to the requirement under section 217(2AA) of the Companies Act 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That the applicable accounting standards have been followed along with proper explanation relating to material departure, if any;
- b) That the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the period;
- c) That the Directors 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;
- d) That the annual accounts were prepared for the financial year ended 31st March 2007, on a going concern basis.

Corporate Governance :

Pursuant to clause 49 of Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report and a Corporate Governance Report are made a part of this report.

A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated by clause 49 of Listing Agreement is attached to this report.

Industrial Relations :

Industrial relations during the year have been cordial. The Directors place on record their appreciation of the committed services rendered by the employees towards the performance and growth of your Company.

Acknowledgement :

The Directors take this opportunity to thank all the Financial Institutions, Banks, and Govt. Departments for their continued support.

For and on behalf of the Board

Place: Aurangabad
Dated: 24.10.2007

Akash Kagliwal
Whole time Director

ANNEXURE TO DIRECTORS' REPORT**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY AND FOREIGN EXCHANGE EARNING AND OUTGO.**

S.No.	Particulars	2006-2007	2005-06
1)	CONSERVATION OF ENERGY		
A)	Power and Fuel Consumption		
I)	Electricity		
i)	Units (KWH)	14916231	10093007
ii)	Total Amount (Rs.in lacs)	571.34	377.38
iii)	Rate per Unit (Rs.)	3.83	3.74
II)	Coal		
i)	Quantity (MT)	16874	12623
ii)	Total Cost (Rs.in lacs)	444.78	303.44
	iii) Rate per MT (Rs.)	2635.88	2404
B)	Consumption per MT of production		
i)	Electricity (KWH)	504	469
ii)	Coal (MT)	0.570	0.590
2)	FOREIGN EXCHANGE EARNINGAND OUTGO.		
A)	Foreign Exchange Earned (Rs.in lacs)	Nil	Nil
B)	Outgo of Foreign Exchange (Rs.in lacs)		
1.	Value of Imports (CIF)		
i)	Raw Materials (Rs.in lacs)	764.32	663.99
ii)	Spare Parts and Consumable	Nil	Nil
iii)	Capital Goods	Nil	Nil
2.	Traveling Expenses and others (Rs.in lacs)	2.75	Nil

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 quality surface Sized Maplitho paper 2) Energy conservation
2)	Benefits derived as a result of the above R & D	i) Higher realization ii) Reduction in energy cost
3)	Future Plans	Production of Value added Products
4.	Expenditure on R & D	
	a) Capital	
	b) Recurring	Rs. 10.98
	c) Total	Rs. 10.98
	d) Total R & D expenditure as	0.14

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2006-07
(Pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. Company's Philosophy on Code of Governance

The Company believes in highest standards of corporate governance and has put in place the systems to comply with all the rules, regulations and requirements mentioned in clause 49 of the Listing Agreement. For us effective corporate governance is about commitment of values and ethical business conduct which alone can guarantee the business success in long run.

Corporate Ethics:

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

2. Board of Directors:

The Board of Directors as at 31.03.2007 comprises of 3 Directors, 2 of them are independent and Non-Executive. The Composition is as under:

Director	Category	No. of Outside Directorship held	
		Public	Private
Mr. D.K. Dutt	Non Executive and Independent	One	None
Mr. Akash Kagliwal	Executive	Two	Five
Mr. Mahesh Mehta	Non Executive and Independent	Three	None

None of the above mentioned Directors has held any membership or Chairmanship in any other Company's committee.

Meeting and attendance record of each Director

5 Meetings of the Board were held on the following dates during the year ended 31st March 2007.

- | | | |
|--------------------------------|-------------------------------|------------------------------|
| 1) 29 th April 2006 | 2) 28 th July 2006 | 3) 02 nd Sep 2006 |
| 4) 31 st Oct 2006 | 5) 31 st Jan 2007 | |