



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 be 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 receive 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 ELECTRONIC 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 | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>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.</p> <p>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.</p> |
| 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 | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>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.</p> |

- (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:

₹. In Lakh

| Particulars | 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**.