



NATH PULP & PAPER MILLS LIMITED

41ST ANNUAL REPORT

2015-16


Registered Office:

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

Factory:

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

Directors:

Akash Kagliwal
Ashu Jain
Omprakash Sharma
Pramod Kumar Gupta (Nominee Director)
S. P. Goel (Nominee Director)

Statutory Auditors:

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

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 41st 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 2016, Friday 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 2016 and the Statement of Profit and Loss Account for the year ended on that date.

2. APPOINTMENT OF AUDITORS:

To appoint M/s Gautam N Associates, Chartered Accountants, Aurangabad as Statutory Auditors of the company, for the period of 5 years from financial year 2016-17 till financial year 2020-21, 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 the Act, if any and the rules framed there under, as amended from time to time, M/s. Gautam N Associates, Chartered Accountants, Aurangabad (having Firm Registration No.103117W) be and are appointed as Statutory Auditors of the Company, for the period of 5 years, and shall hold office until the conclusion of the 46th Annual General Meeting subject to ratification each year by the members of the Company."

"Resolved further that the directors of the company be and are hereby severally authorised to inform M/s Gautam N Associates, Chartered Accountants, of the above appointment and to provide a certified true copy of the above resolutions on behalf of the company and to undertake all necessary steps including filings, if required, to be done with the concerned regulatory authorities as may be necessary or expedient in this regards."

The Company has received a letter from M/s. Gautam N Associates, Chartered Accountants, to the effect that their 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 Mrs. Ashu Jain as a Director of the Company, who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS:**4. To consider and, if thought fit, to pass, the following resolution as an ORDINARY RESOLUTION**

"RESOLVED THAT pursuant to the provision of sections 196, 197 and 203 read with schedule V and all other applicable provisions, if any , of the Companies Act, 2013 and the Companies (Appointment and remuneration of managerial personnel) rules, 2014 (including any statutory modification (s) or reenactment thereof for the time being in force), subject to such sanctions as may be necessary, approval and sanction of the company be and is hereby accorded to the re -appointment of and payment of remuneration to Shri Akash Kagliwal (DIN: 01691724) as Managing Director for a period of 5 years effective from the date on which his appointment will stand approved by the shareholders of the company upon the terms and conditions and payment of remuneration and other perquisites/benefits to Shri Akash Kagliwal during the said period of 5 years as set out in the copy of agreement, copy whereof duly initialed by the Chairman for the purpose of identification is placed before this meeting including, inter-alia, payment and provision of the following remuneration, perquisites and benefits :

A) Salary

₹ 2,00,000/- in the scale of ₹ 2,00,000- ₹ 20,000- ₹ 3,00,000 per month.

B) Perquisites:

- (i) **Leave Travel Concession :** For self and family once in a year to and fro from any place in India subject to the condition that , only Air/ Rail fare shall be reimbursed .
- (ii) **Club Membership:** Fees towards membership of clubs shall be borne by the Company subject, however, to membership of two clubs.
- (iii) **Privilege Leave:** The Managing Director shall be entitled to one month's privilege leave.
- (iv) **Telephone :** Company shall provide a telephone at the residence.

C) Termination of Office:

The office of the Managing Director may be terminated by the Company giving three months prior notice in writing.

D) Terms and conditions of Appointment:

Following shall be the terms and conditions on which Mr. Akash Kagliwal shall function as the Managing Director.

1. That subject to the Supervision and Control of the Board of Directors of the Company, the day today management of Company will be in the hands of the Managing Director.
2. That the Managing Director shall also perform such other duties and services and exercise such powers as shall from time to time entrusted to him by the Board of Directors including power of the Board, as provided for in the Articles of Association of the Company.
3. That the Managing Director undertakes that he shall discharge his duties to the best of his ability in the interest of the Company.
4. That he shall conform to and comply with the regulations and directions of the Company and such orders as may from time to time be given by the Board of Directors.
5. That subject to compliance of various laws for the time being in force, the Managing Director shall have and exercise the following powers.
 - a) To manage the affairs of the Company and to perform and exercise all such powers, rights, discretion assigned or vested with him by the Board and / or by the Shareholders in the general meeting.
 - b) To enter into and become party to and to sign and execute all deeds, conveyance, instruments, contracts, receipts and all other documents and writings on behalf of the Company, whether or not such documents are to be executed under the common seal of the Company.
 - c) To make, sign, draw, accept, endorse, negotiate, sell and transfer on behalf of the Company, cheques, bills of exchange, promissory notes, dock warrants, delivery order, railway receipts, bills of lading and such other mercantile documents and other negotiable instruments, securities and debentures.
 - d) To be a party to and to be present for registration and admit execution of and do all such acts, deeds and matters as may be found necessary and expedient to facilitate registration of all deeds, conveyance and writings whatsoever.
 - e) To institute, defend, refer to arbitration, abandon and compromise legal or other proceedings, settle claims by or against the Company.
 - f) To convene meetings of the Board of Directors, committee, sub committee of Directors and to convene the annual and extra ordinary general meeting of the shareholders.
 - g) To purchase, pay for, acquire, sell, repurchase, import, export, machinery, raw materials, finished goods and all such articles and things in the course of conducting the business of the Company.
 - h) To take on lease, hire purchase or on rent immovable and movable properties for the purpose of the business of the Company on such terms and conditions and charges as the Whole time Director may think fit.
 - i) To acquire tenements, buildings and such other immovable properties of every description and kind subject, however, to at such price as may be approved by the Board from time to time.
 - j) To approve of erection, extension of factory building, ware houses and buildings and works of every description and kind as the Board of Directors may decide from time to time.
 - k) To sell, transfer and dispose off immovable or movable properties of the Company of every description and kind.
 - l) To raise, borrow monies from time to time on behalf of and in the name of the Company but not exceeding the amount, if any, which may be specified by the Board of Directors time to time or as the whole time Director may think expedient.
 - m) To insure and keep insured Company's assets namely buildings, machinery, materials and all such properties movable or immovable and all such other risks.
 - n) Within the limit prescribed by the Board, to invest and deal with monies of the Company not immediately required in such investments including Govt. Securities.
 - o) To operate bank accounts, i.e., Current, Cash Credit, Over drafts, fixed or otherwise with any bankers, merchants or corporate and to pay monies into and draw monies from any such account or accounts from time to time for business needs.
 - p) To attend and vote at all meetings in bankruptcy, insolvency, liquidation or other proceedings in which Company may be interested or concerned.
 - q) To appoint, employ, promote, remove, discharge, suspend, reappoint, reemploy or replace for the governance of the country, officers, managers, secretaries, assistants, workmen and other employees, medical officers, accountants, architects, advocates, consultants, technicians with such powers and responsibilities and on such terms and conditions as to the duration of employment / retainerhip, remuneration and such other things, benefits as the Managing Director may think fit.
 - r) To delegate to any person/ persons all or any of the powers conferred on him by the Board and to revoke or withdraw any or all of the powers delegated by him as also from time to time provide for

the appointment of Attorney or Attorneys or other persons for the management of the affairs of the Company and confer on such person such powers as the Managing Director may think fit and to remove from time to time and appoint other person /persons to exercise the powers so delegated.

- s) To make all such arrangements and to do all such acts, deeds, matters and things on behalf of the Company as may be necessary, desirable and expedient in the management of affairs of the Company subject, however, to the provisions of the Companies Act, 2013 and other laws for the time being in force and / or to the Articles of Association of the Company which, inter alia expressly forbid certain acts by the Managing Director or which are required to be done only in the general meeting or by the Board of Directors.
- t) The Managing Director shall not have the power to
 - (i) To make calls on shareholders in respect of monies unpaid on the shares and Debentures of the Company.
 - (ii) Except for the powers delegated under section 179 of the companies Act 2013, invest the funds of the
 - (iii) Company or grant loans or borrow money.

RESOLVED FURTHER THAT in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the Managing Director the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013 and any excess payment in this regard will be recovered by the company.

RESOLVED FURTHER THAT, he is appointed as a Managing Director on Board not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid Agreement from time to time.

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 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 41st Annual General Meeting and Annual Report 2015-16 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 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: kgiver@nathpaper.com
- f) Register of Members and Share Transfer Books of the Company shall remain closed from 24th September 2016 to 30th September 2016, 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 41st Annual General Meeting scheduled to be held on 30.09.2016 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 27.09.2016 (10.00 a.m.) and ends on 29.09.2016(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 23.09.2016, 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.

Girish Bhandare & Associates, 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

By order of the Board of Directors

Place : Aurangabad
Date : 31st Aug, 2016

Registered Office
Nath House, Nath Road,
Itkheda, Paithan Road,
Aurangabad -431005

Akash Kagliwal
Whole Time Director
(DIN: 01691724)

Corporate Identification Number (CIN): L2100MH1975PLC018289

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:

To re-appoint Mr. Akash Kagliwal (DIN: 01691724) as Managing Director of the Company for a period of 5 years, from the date of effective his appointment is approved by shareholders in the Annual General Meeting on the terms and conditions as specified below.

Mr. Akash Kagliwal was appointed as the Whole time Director of the Company for a period of five years at the Annual General Meeting held on September 30th 2011. By virtue of the said appointment, Mr. Akash Kagliwal vacates office on the conclusion of ensuing Annual General Meeting.

The Board of Directors of the Company at the meeting held on August 31, 2016 has approved the reappointment of Mr. Akash Kagliwal as the Managing Director of the Company for a period of five years, subject to the approval of the members of in the Annual General Meeting.

The terms of remuneration and perquisites are set out in the Special Resolution for the approval of the Members in the Annual General Meeting.

During his tenure as the whole time Director, Mr. Akash Kagliwal has done exceptionally well in managing the affairs of the Company during his tenure as the whole time Director.

Given Mr. Akash Kagliwal's rich experience and knowledge and his impeccable record in managing the affairs of the Company over the last five years, your Directors recommend passing of the Special Resolution as it would be to the benefit of Company.

Further details of Shri Akash Kagliwal have been given in the Annexure to this notice.

Except Mr. Akash Kagliwal & Mrs. Ashu Jain none of the Directors is interested in the Resolution.

By order of the Board of Directors

Place: Aurangabad

Date: 31st Aug, 2016

Corporate Identification Number (CIN): L2100MH1975PLC018289

Akash Kagliwal
Whole Time Director
(DIN: 01691724)

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

NAME OF MANAGING DIRECTOR	Mr. Akash Kagliwal
Date of Birth	10 th June 1979
Date of Appointment	30 th September 2016
Qualification	Graduate
Experience in special functional area	Professional
Chairman/ Director of other companies	<ol style="list-style-type: none"> 1. Agri-Tech (India) Ltd. 2. Akash Farms Pvt Ltd. 3. Ashu Farms Pvt Ltd. 4. Barkha Farms Pvt Ltd 5. Emraled Seeds Pvt Ltd. 6. Ferry Fax Farms Pvt Ltd. 7. Global Transgenes Ltd. 8. Jeevan Farms Pvt Ltd. 9. Nath Bio-Technologies Ltd. 10. Nath Royal Seeds Ltd 11. Nath Industrial Chemicals Ltd. 12. Nath Nirman Infra Pvt Ltd. 13. N Kagliwal Education & Research Foundation. 14. Prabha Farms Pvt Ltd 15. Paresh Farms Pvt Ltd 16. Tapovan Paper & Board Mills Ltd. 17. Tapovan International Trading Pvt Ltd. 18. Techindia Nirman Ltd.
Chairman/ Member of Committees of other Companies	1. Agri -Tech (India) Ltd. - Managing Director
No of shares held in the Company	2

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

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	1. Roshni Arts Pvt. Ltd.
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 41st Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULT:

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

Particulars	₹. In Lacs	
	Year ended 31 st March, 2016	Year ended 31 st March, 2015
Sales and other income	8796.42	9585.67
Profit/ (loss) before Depreciation	85.86	388.18
Depreciation	90.50	74.13
Net Profit/ loss for the year	41.55	350.27
Prior Period Items	46.19	36.21
Net Profit / (loss) before tax	(4.64)	314.06
Deferred Tax (Income)/ Expenses	94.27	879.96
Profit after Tax	(98.89)	(565.90)

PERFORMANCE:

The performance of the company during the year was under pressure compared to that of the previous year due to overall recession in the Paper Industry. The working of the company has been satisfactory during the year. Your company has also brought about changes in the process by doing need based capex and has achieved better efficiency in power and fuel consumption.

Your company has developed higher GSM core boards and Thermal paper. Demand for thermal paper is growing constantly.

Despite the adverse conditions, your Company has achieved turnover and other income of ₹ 8796.42 lakh as compared to the previous year ₹ 9585.67 lakh. Company has posted a net Loss before adjustment of deferred tax expenses of ₹. 4.64 lakh (previous year 314.06 lakh).

INDEBTNESS:

Your Company has crystallized dues of ARC Trust on March 18th 2016 for ₹ 3750 Lakh. Your Company expects to raise money to repay dues of ARC trust by sale of surplus land, loan from associate companies and internal accrual.

Your company has repaid ₹ 468.50 lakh to financial institutions during the financial year.

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.

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**.