



NATH PULP & PAPER MILLS LIMITED

42nd ANNUAL REPORT

2016-17



Registered Office: Nath Pulp & Paper Mills Limited. Nath House, Paithan Road Aurangabad-Maharashtra	Factory: NathNagar (North) Village:Wahegaon Taluka:Paithan Dist:Aurangabad
Directors: Akash Kagliwal Ashu Jain Omprakash Sharma S.S.Agrawal Pramod Kumar Gupta (Nominee Director) S.P.Goel(Nominee Director)	Statutory Auditors: M/s Gautam N Associates Chartered Accountants 30,GNA House Behind Manmandir Travels Adalat Road Aurangabad-Maharashtra
Registrar & Share Transfer Agent: Big Share Services Pvt. Ltd. 1 st Floor, Bharat Tin Works Building Makwana Road Marol Andheri-East Mumbai-400059	

Contents:

Notice	3 to 5
Directors' Report	6 to 9
Extract of Annual Return	10 to 13
Corporate Governance	14 to 19
Management Discussion and Analysis Report	20 to 21
Secretarial Audit Report	22 to 25
Auditors' Reports	26 to 31
Balance Sheet	32
Statement of Profit and Loss	33
Cash Flow Statement	34
Notes to Accounts	35 to 53

“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 42nd 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 29th September 2017, 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 2017 and the Statement of Profit and Loss Account for the year ended on that date.

2. APPOINTMENT OF AUDITORS:

To appoint 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 139,142 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. Gautam N Associates , Chartered Accountants, Aurangabad (having Firm Registration No. 103117W) as Statutory Auditors of the Company, who were appointed in last AGM and hold office until the conclusion of the 46th Annual General Meeting needs ratification by members of the Company for financial year 2017-18. The Company has received letter from M/s. Gautam N Associates , Chartered Accountants, to the effect that the ratification of appointment, if made, would be within their 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. RE-APPOINTMENT OF DIRECTOR

To appoint Mr. S.S.Agrawal as a Director of the Company, who retires by rotation and being eligible, seeks re-appointment.

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) 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 42nd Annual General Meeting and Annual Report for 2016-17 will also available on the Company's website www.nathpaper.com. 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: kgiyer@nathpaper.com

- e) Register of Members and Share Transfer Books of the Company shall remain closed from 23rd September 2017 to 29th September 2017, both days inclusive.
- f) 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 Section 108 of the 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 42st Annual General Meeting scheduled to be held on 29.09.2017 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:

Instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 26.09.2017 (10.00 a.m.) and ends on 28.09.2017(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 22.09.2017, 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, 2017
Registered Office
Nath House, Nath Road,
Itkheda, Paithan Road,
Aurangabad -431005

Akash Kagliwal
Managing Director
(DIN: 01691724)

Corporate Identification Number (CIN): L2100MH1975PLC018289

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

NAME OF DIRECTOR	Mr.S.S.Agarwal
Date of Birth	16/02/1947
Date of Appointment	30/12/2009
Qualification	B.Com
Experience in special functional area	Accounts & Finance
Chairman/ Director of other companies	
Chairman/ Member of Committees of other Companies	NIL
No of shares held in the Company	Nil



DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 42nd Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULT:

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

Particulars	Rs in Lacs	
	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Sales and other income	9973.81	8826.92
Profit/ (loss) before Depreciation	102.23	132.04
Depreciation	66.52	90.50
Net Profit/ loss for the year	35.71	41.55
Prior Period Items	8.47	46.19
Net Profit / (loss) before tax	27.24	(4.64)
Deferred Tax (Income)/ Expenses	(573.69)	94.27
Exceptional Item	2090.90	-
Profit after Tax	(1489.98)	(98.89)

PERFORMANCE:

The performance of the company has been satisfactory despite various economic and industry challenges. Despite challenges like erratic demand due to demonetization and competitive market scenario your company has been able to put forth a satisfactory performance. During the year, various measures were undertaken by your company to enhance product efficiency and reduce cost. To mitigate the risk of increase in prices of raw material your company went ahead to keep sufficient stock of raw material. Your Directors believe that these initiatives will be beneficial for the company in long run.

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

Your Company has achieved turnover and other income of Rs 9973.81 lakh as compared to the previous year Rs 8826.92 lakh. Company has posted a Net Profit before adjustment of deferred tax (income)/ expenses and exceptional item of Rs. 27.24 lacs (Previous year Rs (4.64) lacs).

Your Company has posted Profit/(Loss) after Deferred tax(Income)/Expenses and Exceptional Item of Rs. (1489.98) Lacs (Previous Year Rs. (98.89) Lacs). The Loss posted in this financial year of Rs. (1498.98) Lacs is mainly due to restatement of ARC Trust Liability.

INDEBTNESS:

Your Company has crystallized dues of ARC Trust on March 18th 2016 at Rs 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 accruals.

Your company has repaid Rs 50.25 lakh to financial institutions during the financial year.

SUBSIDIARY COMPANY:

The Company does not have 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

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI.



The Report on Corporate Governance as stipulated under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, Companies Act 2013 and rules made thereunder is enclosed as **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 at its 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 friendly 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

There is no expenditure related to foreign currency during the financial year 2016-17. The rupee equivalent of that amount is given hereunder:

Particulars	Rs In Lacs
Total Expenditure	Nil
Total Earnings	Nil

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made there under, Mr. S.S. Agarwal (DIN: 00119681) Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer himself for re-appointment, for which necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends the re-appointment of Mr. S.S. Agarwal as a Director of the Company.

The Company has received declarations from all the Independent Directors of the Company in terms of Section 149(7) of the Act, confirming that they meet criteria of independence as prescribed under section 149(6) of the Act and Regulation 25 of SEBI Listing Regulations, 2015.

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:

- a. In the preparation of the annual accounts for the year ended March 31, 2017, 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, 2017 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 have prepared the annual accounts of the Company on a 'going concern' basis;
- e. The Directors have 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 have 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

Your Company has laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business ,including adherence to Company's policies, the safeguarding of its assets ,the prevention and detection of frauds and errors and timely preparation of financial statements. The audit committee evaluates the internal financial control system periodically.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has a Whistle Blower Policy / Vigil Mechanism Policy in place, 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. Apart from paper business, the Company is not engaged in any other business/activities. Company is the member of BSE platforms where its shares are listed.

STATUTORY AUDITORS

The Company has received letter from M/s. Gautam N. Associates, 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 M/s Girish Bhandare & Associates, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2016-17. The Secretarial Audit Report is annexed herewith in **Annexure-V**.

AUDITORS' REPORT

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

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Your Board endeavors that all contracts/ arrangements/ transactions entered by the Company during the financial year with related parties are in the ordinary course of business and on an arm's length basis only. During the year under review the Company has not entered into any contact/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

PARTICULARS OF LOANS GUARANTEES AND INVESTMENTS

The Company has not given any loans or guarantees or investments during the year, under Section 186 (4) of Companies Act, 2013.

INSURANCE

All the properties and the insurable interest of the Company including building, plants and machinery and stocks wherever necessary and to the extent required have been adequately insured.

INDUSTRIAL RELATIONS

Company's industrial relations continue to be cordial. Your directors acknowledge the support and co-operation from employees at all levels.

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature and size of operations of your Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not applicable to the Company.

APPRECIATION

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment and express their sincere thanks and appreciation to all the employees for their continued contribution, support and co-operation to the operations and performance of the Company.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, bankers, regulatory bodies and other business constituents during the year under review.

For and on behalf of the Board,

**Place: Aurangabad
Date : 31st August, 2017**

**Akash Kagliwal
Managing Director
(DIN: 01691724)**



Annexure I forming part of Directors' Report

Form No.MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2017 (Pursuant to Section 92(3) of the companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

I.	REGISTRATION AND OTHER DETAILS	
i)	CIN	L21100MH1975PLC018289
ii)	Registration Date	10 th April 1975
iii)	Name of the Company	Nath Pulp & Paper Mills Ltd
iv)	Category / Sub-Category of the Company	Public Limited
v)	Addressed of the Registration office and contact details	Nath House, Nath Road, Aurangabad 431005 Tel 0240-2376314 to 317 Fax 0240-2376762
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Big Share Services Pvt. Ltd. 1 st Floor ,Bharat Tim Works Building Makwana Road Marol Andheri East Mumbai -400059 - email = info@bigshareonline.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr,	Name and Description of main products /services	NIC Code of the product /service	% to total turnover of the company
1	Paper and paper Board	1701	100

III. PARTICULARS OF HOLDING .SUBSIDIARY AND ASSOCIATE COMPANIES

Name	CIN/GLN	Holding / subsidiary/ Associate	%of shares held	Applicable section
Tapovan International Trading Pvt. Ltd.	U52300MH2013PTC250887	Associate	-	2(6)

IV. SHARE HOLDING PATTERN:

(a) Equity Share Capital Break-up as percentage of Total Equity

Sr	Category of Shareholders	No. of Shares at the beginning of the year As on 01/04/2016				No. of Shares at the end of the year As on 31/03/2017				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoter									
(1)	Indian									
(a)	Individual HUF	-	771	771	0.01	-	771	771	0.01	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies/ Corporate	6113858	54150	6168008	68.53	6113858	54150	6168008	68.53	-
(d)	FI/Banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	6113858	54921	6168779	68.54	6113858	54921	6168779	68.54	-
(2)	Foreign									
(a)	Individual (NRI)	-	-	-	-	-	-	-	-	-
(b)	Bodies/ Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	QFI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	6113858	54921	6168779	68.54	6113858	54921	6168779	68.54	-



Sr	Category of Shareholders	No. of Shares at the beginning of the year As on 01/04/2016				No. of Shares at the end of the year As on 31/03/2017				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding	-	-	-	-	-	-	-	-	-
(1)	Institutions	-	-	-	-	-	-	-	-	-
(a)	Mutual funds/UTI	-	3928	3928	0.04	-	3928	3928	0.04	-
(b)	FI/Banks	2103730	11785	2115515	23.51	2103730	11785	2115515	23.51	-
(c)	Central Govt. State Govt.	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	FII's	-	-	-	-	-	-	-	-	-
(g)	Foreign venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Any other	-	-	-	-	-	-	-	-	-
(j)	Overseas Bodies / Corporate	-	-	-	-	-	-	-	-	-
Sub Total (B) (1)		2103730	15713	2119443	23.55	2103730	15713	2119443	23.55	-
(2)	Non Institutions	-	-	-	-	-	-	-	-	-
(a)	Bodies/ Corporate	30169	5992	36161	0.40	30169	5992	36161	0.40	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding share capital up to Rs.2Lac	481024	119895	600919	6.68	481024	119895	600919	6.68	-
(ii)	Individual shareholders holding share capital in excess Rs.2 Lac	64268	-	64268	0.71	64268	-	64268	0.71	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any other(Specify)	-	-	-	-	-	-	-	-	-
(d1)	NRI	2409	3904	6313	0.06	2409	3904	6313	0.06	-
(d2)	Employee	-	2341	2341	0.03	0	2341	2341	0.03	-
(d3)	Clearing Members	1496	-	1496	0.01	1776	-	1776	0.02	0.01
Sub Total (B) (2)		572604	139174	711778	7.91	576854	134924	711778	7.91	0.01
Total Public Share Holding (B1 + B2)		2676334	154887	2831221	31.46	2680584	150637	2831221	31.46	-
(C)	Shares held by Custodians for ADRs and GDRs	-	-	-	-	-	-	-	-	-
Sub Total (C)		-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		8790192	209808	9000000	100	8794442	205558	9000000	100	-

**(b) Share Holding of Promoters:**

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1.Nandkishor Kagliwal	550	0.01	-	550	0.01	-	-
2.Jeevanlata N. Kagliwal	67	0.00	-	67	0.00	-	-
3.Subhash Kagliwal	50	0.00	-	50	0.00	-	-
4.Laxminarayan Kagliwal	50	0.00	-	50	0.00	-	-
5.Akash Kagliwal	2	0.00	-	2	0.00	-	-
6.Ashu Kagliwal	2	0.00	-	2	0.00	-	-
7.Anil Kagliwal	50	0.00	-	50	0.00	-	-
8.Nath Capital and Financial Services	1,648	0.02	-	1,648	0.02	-	-
9.Paresh Farms Pvt. Ltd	40,729	0.45	-	40,729	0.45	-	-
10.Paresh Farms Pvt. Ltd.-A/c MSFC	13575	0.15	-	13574	0.15	-	-
10.Prabha Farms Pvt. Ltd	29	0.00	-	29	0.00	-	-
11.Jeevan Farms Pvt. Ltd- A/C ARC Trust	35,000	0.39	0.57	35,000	0.39	0.57	-
12.Akash Farms Pvt. Ltd	2,002,027	22.24	32.42	2,002,027	22.24	32.42	-
13.Mayo Farms Pvt. Ltd	35,000	0.39	-	35,000	0.39	-	-
14.Tapovan Farms Pvt. Ltd	40,000	0.44	-	40,000	0.44	-	-
15.Ashu Farms Pvt Ltd	2,000,000	22.22	18.91	2,000,000	22.22	18.91	-
16.Tapovan Paper and Board Mills Ltd	2,000,000	22.22	-	2,000,000	22.22	-	-
Total	6168779	68.54	51.90	6168779	68.54	51.90	-

(c) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

	No of Shares	% Holding
At the beginning of year	6,168,779	68.54
At the end of year	6,168,779	68.54

(d) Shareholding Pattern of Top 10 shareholders other than Directors, Promoters and Holders of GDRs and ADRs

Sr. no	Name of the Shareholder	No. of shares held as on 01.04.2016	% holding	No. of shares held as on 31.03.2017	% holding
1	Industrial Credit and Investment Corporation of India Ltd.	8547	0.10	8547	0.10
2	ARC Trust Ltd. (Trust Holdings)	2,000,000	22.22	2,000,000	22.22
3	Life Insurance Corporation of India	53,728	0.60	53,728	0.60
4	State Bank of India	50,000	0.56	50,000	0.56
5	Manish Jain	7,010	0.08	30,544	0.34
6	Dipak Kanayalal Shah	20,611	0.23	33,724	0.37
7	Sunita Laxminarayan Attal	16,771	0.19	16,421	0.18
8	Laxminarayan Attal	13,044	0.14	13,044	0.14
9	Dilip Hundrajmal Udhani	8,483	0.09	8,483	0.09
10	Maya Rameshawar Ukey	8,275	0.09	8,275	0.09

**(e) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Name	Beginning of the Year		During the year	
	No. of shares	% of the total shares of the Company	No. of shares	% of the total shares of the Company
Akash Kagliwal	2	0.00	2	0.00
Ashu Jain	2	0.00	2	0.00

V. INDEBTNESS:

Indebtness of the company including interest outstanding /accrued but not due for Payment:

Particulars	Rs. In Lakh			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtness at the Beginning of the financial Year				
i)Principal Amount	684.98	-	-	684.98
ii)Interest due but not paid	35.16	-	-	35.16
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	720.13	-	-	720.13
Changes during financial year				
Addition	2094.74	-	-	2094.74
(Reduction)	(50.25)	-	-	(50.25)
Net Change	(2044.49)	-	-	(2044.49)
Indebtness at the end of the Financial year				
i)Principal Amount	634.73	-	-	634.73
ii)Interest due but not paid	2129.90	-	-	2129.90
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2764.62	-	-	2764.62

Note: (1) Company has not provided interest of ARC Trust (Please Refer Note No. 27.14 (i)

(2) Company has not recognized liability that may arise on account of withdrawal of waiver with retrospective effect due to default in repayment to ARC Trust (Please refer Note No. 27.01 (c) (i)

(3) Accounts of Financial Institutions are subject to reconciliation. Please refer Note No.27.15

VI. REMUNERATION/SALARIES OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Salary to Managing Director /Whole Time Director and /or Manager**

Sr.	Particulars of remuneration	Amount Rs
1	Akash Kagliwal (Managing Director) Gross Salary : Salary as per provisions contained in section 17(2) of the Income Tax Act 1961 Value of perquisites u/s 17 (2) of the Income Tax Act 1961 Profits in lieu of salary u/s 17 (2) of the Income Tax Act 1961	18,00,000 -
	Total A	18,00,000

B. Remuneration to other Directors

Sr	Particulars of Remuneration	Amount Rs
1	Shrirang Shrikishan Agarwal Non executive Independent Director Fee for attending board , committee meetings	25,000
	Total -1	25,000
2	Om Prakash Sharma Other Non-executive Director Fee for attending board , committee meetings	5,000
	Total -2	5,000
3	Mrs. Ashu Jain Other Non-executive Women Director Fee for attending board , committee meetings	15,000
	Total -3	15,000
4	Mr.Pramod Kumar Gupta Other Non executive Nominee Director-ARC Trust Fee for attending board meetings	10,000
	Total-4	10,000
5	Mr. S.P.Goel Other Non executive Nominee Director-BIFR Fee for attending board meetings	10,000
	Total-5	10,000
	Grand Total 1 to 5	65,000

VII. Salary to Key Managerial Personnel other than MD/Manager /WTD

Sr. No.	Particulars of Remuneration	Amount Rs
1	Vijay Saboo, CFO Salary	2,742,400
	Total	2,742,400

VIII. PENALTIES /PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment	Authority RD/NCLT/COURT
Penalty	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil

Annexure II to Directors' Report
CORPORATE GOVERNANCE REPORT
1. Company's Philosophy on Code of Governance

It is the consistent conviction of the company that sound and strong corporate governance leads to durable substance of business and generate long term value all stake holders. In pursuance of this, the company has been pursuing corporate governance practices based on professional excellence, business ethics and transparency. The Company believes that good corporate governance goes much beyond to fulfilling the statutory requirements, but is also a projection towards the sound formulation of a distinct corporate culture. The Company believes that corporate governance is more about creating organizational excellence leading to increased customer satisfaction.

2. Corporate Ethics

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

3. Board of Directors and Board Meetings:

Company's Board of Directors as at 31st March, 2017 comprises Six Directors three of them are independent and non executive. The Composition is as under:

Name	Category	No of outside Directorship held		Committee Membership	Committee Chairmanship
		Public	Private		
Mr. Akash Kagliwal	Executive	9	10	-	-
Mrs. Ashu Jain	Non Executive Women Director	-	1	-	-
Mr. Omprakash Sharma	Non-Executive & Independent	3	-	-	-
Mr. Pramod Kumar Gupta	Non -Executive & Independent (Nominee Director – Arc Trust)	1	-	-	-
Mr. Shrirang Agrawal	Non-Executive & Independent	7	2	2	-
Mr. S.P.Goel	Non -Executive & Independent (Nominee Director – BIFR)	1	1	-	-

Meeting and Attendance record of each Director

During the year ended 31st March 2017, five meetings of the Board were held on the following date:

- 1) 30th May 2016 2) 29th July 2016 3) 31st Aug 2016 4) 14th Nov 2016 5) 10th Feb 2017



The attendance record of the Directors at the Board Meetings held during the year ended 31st March, 2017 and the last Annual General Meeting (AGM) of the Company are as under:

Name of the Director	Board Meetings	Last AGM (Y/N)
Mr. Akash Kagliwal	5	Yes
Mrs. Ashu Jain	3	Yes
Mr. Omprakash Sharma	2	Yes
Mr. Pramod Kumar Gupta	2	No
Mr. Shrirang Agrawal	5	Yes
Mr. S P Goel	2	No

4. Audit Committee

The Audit Committee met five times during the year ended 31st March 2017 on

1) 30th May-2016 2) 29th Jul-2016 3) 31st Aug-2016 4) 14th Nov-2016 5) 10th Feb 2017

The Constitution of the committee as at 31.03.2017 and the attendance of each member are given below:

Name of the Director	No. of Meetings attended
Mr. Akash Kagliwal	5
Mr. Omprakash Sharma	5
Mr. Shrirang Agrawal	5

Two members of the Committee are non-executive and independent. He has adequate knowledge of Accounts, Audit, and Finance. Mr. Shrirang Agrawal Independent Director is the Chairman of the committee.

Audit Committee meetings are also attended by Company's Vice President (Finance) and the Internal Auditors.

The terms of reference of the Audit Committee include:

- To review the company's financial reporting process and financial statements.
- To review the accounting and financial policies and practices.
- To review the efficacy of the internal control mechanism and monitor the management policies adopted by the company and ensure compliance with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors and ensure that suitable action is taken.
- To examine accountancy, taxation and disclosure aspects of all significant transactions.

5. Remuneration Committee

Remuneration Committee comprises of non-executive Directors namely

Mrs. Ashu Jain

Mr. Shrirang Agarwal

Remuneration to Directors

The Non-Executive Independent directors, sitting fees for attending the meetings of the Board of Directors as below.

Name	Status	Sitting Fees Rs
Mrs. Ashu Jain	Non Executive Women Director	20,000
Mr. Om Prakash Sharma	Non Executive Independent	15,000
Mr. P.S.Ravindrananth	Non Executive Nominee Director	5,000
Mr. Pramod Kumar Gupta	Non Executive Nominee Director	10,000
Mr. S.S.Agarwal	Non Executive Independent	30,000
Mr. S. P.Goel	Non Executive Nominee Director	5,000

Remuneration to Managing Director

The Managing Director's remuneration/Salary is subject to compliance of Schedule XIII of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956. The Board on the recommendation of the Remuneration committee considers the remuneration of Managing Director. The Board recommends the remuneration of the Managing Director for approval of the Shareholders, at the Annual General Meeting or any such other authority as may be required.

The table below shows the details of salary paid to Managing Director of the Company during the financial year 2016-2017

Director's Name	Salary Rs
Mr. Akash Kagliwal	1,800,000



6. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance Committee comprised one executive and one non-executive Director; the committee met four times on

1) 30th May, 2016 2) 29th July, 2016 3) 31st Aug, 2016 4) 10th Feb, 2017

During the year ended 31st March, 2017. The Constitution of the committee as on 31.03.2017 is given below:

Name	Status	Meeting attended
Mr. Akash Kagliwal	Executive	4
Mr. Shirang Agrawal	Non executive	4

The committee deals with matters relating to:

- Transfer/ transmission of shares
- Review of shares dematerialized and all other related matters
- Monitoring of expeditious redressal of investors' grievances
- Other matters relating to shares

Company's shares are compulsorily traded in dematerialized form and have to be delivered in dematerialized form in all Stock Exchanges. To expedite transfers in 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, 2017.

7. Compliance officer

Mr. K.G. Iyer is Company's compliance officer. His address and contact details are given below:

Address: Nath House, Paithan Road, Aurangabad -431005

Tel Nos: 0240-2376314, 2376315 Fax: 0240-2376762

No of Shareholders' Complaints received during the year 4

No. of complaints solved to the satisfaction of the Shareholders 4

No. of pending complaints Nil

Annual General Meetings

Meeting	Day and Date	Time	Place
41 st Annual General Meeting 2015-16	Friday 30 th Sep 2016	11 AM	Nath House, Nath Road, Aurangabad
40 th Annual General Meeting 2014-15	Wednesday 30 th Sep 2015	11 AM	Nath House, Nath Road, Aurangabad
39 th Annual General Meeting 2013-14	Tuesday 30 th Sep 2014	11 AM	Nath House, Nath Road, Aurangabad

During the year 2016-17 no resolution has been passed through Postal Ballot. Presently there is no proposal to pass any Special Resolution by postal ballot.

8. Disclosure of material transactions and penalties to the Board

There are no materially significant related party transactions, i.e., transactions of the Company of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that would be prejudicial to the interest of the Company.

No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets during the period under review.

9. Means of Communication

Although, half yearly report is not sent to each household of shareholders, Company has submitted the quarterly results to Bombay Stock Exchange.

Newspapers normally published in	Business Standard & Lokpatra
Website where displayed	Bseindia.com
Whether it displays official news release and presentations made to Institutional Investors or analysts	NA
Whether Management Discussion and Analysis is part of the annual report or not	Yes

10. General Shareholders Information

Annual General Meeting

Date and time	29 th September, 2017 At 11.00 A.M.
Venue	Nath House, Paithan Road Aurangabad
Pin	431005
Financial Year	2016-2017


Book Closure

The register of the shareholders of the Company will remain closed on 23th Sept 2017 to 29th Sept 2017, both days inclusive

Financial Calendar (tentative)

Financial reporting for the quarter ending 30th June ,2017	by July 2017
Financial reporting for the quarter ending 30th September , 2017	by October 2017
Financial Reporting for the quarter ending 31st December , 2017	by January 2018
Financial reporting for the quarter ending 31st March 2018	by May 2018
Annual General meeting for the year ending 31 st March 2018	by Sept 2018

11. Listing on Stock Exchanges and ISIN No.

The Company's equity now stands at 9,000,000 equity shares, which are presently listed on Bombay Stock Exchange Ltd.

The Company has paid annual listing fees to Bombay Stock Exchange for the financial year 2016-17. Scrip code 502407 BSE ISIN No. INE776A01017

Market Price Data

Month	High Price	Low Price
Apr-16	29.80	25.50
May-16	31.20	25.00
Jun-16	30.45	25.00
Jul-16	39.80	27.85
Aug-16	33.30	25.05
Sep-16	31.50	26.00
Oct-16	35.80	26.00
Nov-16	43.50	29.20
Dec-16	33.00	26.50
Jan-17	35.05	26.75
Feb-17	33.85	27.00
Mar-17	32.90	27.00

Category of Shareholders as on 31.03.2017

Category	No. of Shares (Issued equity)	Percentage
Promoters	6,168,779	68.54
Indian Financial Institutions / Banks / Mutual Funds	2,119,443	23.55
Foreign Institutional Investors /NRIS'	6,313	0.07
Others	705,465	7.84
Total	9000000	100.00

12. Registry and Transfer activity

As per SEBI guidelines the Registry and share transfer activities is being handled by M/s. Big Share Services Private Limited. The Share Transfer requests received in physical form are normally registered within 30 days from the date of receipt. Company has arrangement with National Securities Depository Ltd. (NSDL) and Central Depository Services Ltd. (CDSL) for demat facilities. The Demat status of the equity shares as on 31.03.2017 is as follows:

Shares in Demat mode with NSDL:	8,604, 725
Shares in Demat mode with CDSL:	192, 509
Shares in physical mode :	202, 766

Address for Investor Correspondence
Plant Location:

Nath Pulp and Paper Mills Ltd.
Nath Nagar (North), At. Post: Wahegaon,
Taluka: Paithan,
Dist: Aurangabad (Maharashtra)

Registrar and Share Transfer Agent

Big Share Services Pvt. Ltd.
1st Floor, Bharat Tim Works Building
Makwana Road, Marol
Andheri (E) Mumbai-400 059 (Maharashtra)



13. Compliance Certificate of The Auditors

Certificate from the Company's Auditors, M/s. Gautam N Associates, Chartered Accountants confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to this Report.

14. CEO and CFO Certification

The Managing Director and the Chief Financial Officer of the Company have given annual certification on statutory compliances, financial reporting and internal controls to the Board in terms of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirement) regulation ,2015. The annual certificate given by the Managing Director and the Chief Financial Officer is attached to this Report.

15. Compliance with Code of Conduct

As stipulated under the regulation of Listing Obligation & Disclosure Requirement ,2015 , all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended on March 31, 2017.

For and on behalf of the Board

**Place: Aurangabad
Date: 31st August 2017**

**Akash Kagliwal
Managing Director
DIN No: 01691724**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To,
The Members
Nath Pulp and Paper Mills Ltd.
Aurangabad.**

We have examined the compliance of the conditions of Corporate Governance by **M/s. Nath Pulp and Paper Mills Ltd.** for the year ended 31st March, 2017 as stipulated under SEBI (Listing Obligations and Disclosure Requirements) ,Regulations ,2015 of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has generally complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Gautam N Associates
Chartered Accountants
FRN 103117W**

**Place: Aurangabad
Date: 30/05/2017**

**CA Gautam Nandawat M. No. 032742
[Partner]**



**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification
To
The Board of Directors of
Nath Pulp & Paper Mills Limited**

Dear Sirs,

**SUB: CEO/CFO CERTIFICATE
(Pursuant to Regulation 17(8) of SEBI (LODR) Regulations ,2015)**

We, Akash Kagliwal, Managing Director and Vijay Saboo, Chief Financial Officer (CFO) , of Nath Pulp & Paper Mills Limited, to the best of our knowledge and belief, certify that:

1. we have reviewed the financial statements, read with cash flow statement of Nath Pulp & Paper Mills Limited, for the year ended 31st Mach 2017 and that to the best of our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. These statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company if any, and the steps taken or propose to be taken for rectifying him deficiencies.
4. We have indicated to the auditors and the Audit Committee:
 - i. That there are no significant changes in internal control over the financial reporting during the year
 - ii. Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there are no frauds of which we have become aware and the involvement therein, if any of the management or an employee

For an on behalf of the Board of Directors

**Place : Aurangabad
Dated:31st August 2017**

**Vijay Saboo
chief Financial Officer**

**Akash Kagliwal
Managing Director
DIN No: 01691724**

**DECLARATION BY CEO OF THE COMPANY
(Pursuant to Regulation 34(3) of SEBI (LODR), Regulations 2015**

In accordance with SEBI (LODR) ,Regulation 2015, I Akash Kagliwal, Managing Director and CEO of the Company hereby confirm that the Board Members and the senior management personnel of the Company have affirmed compliance with the Company's Code of Conduct for the financial Year ended 31st March, 2017.

For an on behalf of the Board of Directors

**Place: Aurangabad
Dated 31st August, 2017**

**Akash Kagliwal
Managing Director
DIN No: 01691724**



Annexure III to Directors' Report Management Discussion and Analysis Report

Industry Structure and Development:

The Paper industry plays crucial role for the country's social strength, as use of paper is supposed to be an index of cultural growth. The Indian Paper industry accounts for about 3% of the world's production of Paper. There are 700-800 paper mills (organized & unorganized sector) in the Country based on wood, agri residue and waste paper as basic raw material.

Your company is one of the well known Paper Mills engaged in the manufacture of High Strength Core board and Thermal grade papers in India. The company has state-of-the-art facilities to manufacture various grades of papers ranging from 220 GSM to 600 GSM. The company is strategically located at Paithan in the state of Maharashtra having necessary infrastructure facilities.

Your Company considers people as its biggest asset and takes continuous efforts to improve the working environment with focus on employees' well being and capability building to enable them to perform at their best for the company. The company has a dedicated, technical and competent marketing team along with innovative marketing strategies; the company is looking forward to capture a major chunk of the market share in Thermal grade Paper. Over the years, Company has focused on stringent quality measures, which help to meet all our customers' needs. Our focus on quality has helped us building strong relationship with customers and eliminated supplementary costs. With a dedicated and competent human capital at its disposal, Company is confident of expanding its presence in the paper Industry.

Opportunities and Threats:

The company has adequate infrastructure facilities such as land and uninterrupted supply of power & water . Apart from this, company has the flexibility to manufacture various grades of core board and thermal grade of paper, which gives the company a distinct competitive advantage.

Your company expects the competition to grow in years to come. The company continues to face challenges on account of ever escalating cost of inputs such as local kraft and coal. Devaluation of rupee has created further pressure on cost of inputs. Your company is committed to meet these challenges by improving productivity and innovating processes to achieve reduction in production cost. The capital investment being made for increasing production capacities would also help your company in maintaining its cost leadership.

Review of Performance:

During the year the Company's Sales and other income aggregated to Rs 9973.81 Lacs. Net Loss after adjustment of Deferred tax (Income)/Expenses and Exceptional Items stood at Rs (1489.98) Lacs. During the year Company has developed Premium grade Kraft Paper of higher ply bond , Thermal and Sublimation Paper, ,which have been well accepted in the market. Your Company's endeavor is to enhance its market share in this segment.

Outlook, Risk and Concern Management perceives:

The paper industry is cyclical in nature and its performance depends on the global pulp and paper demand supply situation. The industry is presently witnessing slowdown in demand. The Company has well-diversified product portfolio which insulates it from the cyclical impact to some extent. However, given the growth potential, outlook for company's products looks promising.

Internal Control Systems and their Adequacy

Your Company has an adequate and effective internal control mechanism in place to ensure efficient control of its operations, protection from loss, assets, prevention and detection of fraud/errors, accuracy and completeness of accounting records and timely preparation of reliable financial information as per its Management Information System (MIS). The company is following applicable Accounting Standards for maintaining the books of accounts and reporting financial statements.

Your Company has a comprehensive Budgetary Control System in operation and its' key performance indicators are set for all important operational parameters. These are monitored and reviewed regularly by the Management.

Company is in process to appoint an independent firm of Chartered Accountants for conducting Internal Audit.

Human Resource Development / Industrial Relations



The Company has drawn specific programme to improve the skill of the workers so as to rationalize the manpower. Further it is providing necessary training to the manpower. There is a continuous interaction between the management, union and workers.

Cautionary Statement

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to economic conditions, government policies etc. The Company cannot guarantee the accuracy of assumptions and perceived performance in future. Therefore, the actual results may materially differ from those expressed or implied in the report.

Place: Aurangabad

Date: 31st August, 2017

For and on behalf of the Board

Akash Kagliwal

Managing Director

DIN No: 01691724



Annexure IV forming part of the Directors' Report

FORM NO. MR -3

Secretarial Audit Report

(For the period from 01.04.2016 to 31.03.2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Nath Pulp and Paper Mills Limited.

CIN: L21100MH1975PLC018289

Regd. Office: Nath House Nath Road Aurangabad - 431005

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Nath Pulp and Paper Mills Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that, in my opinion, the Company has, during the audit period ended on 31.03.2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Nath Pulp and Paper Mills Limited** ("**The Company**") for the year ended on 31.03.2017 according to the provisions of:
 - I. The Companies Act, 2013 (**the Act**) and the Rules made there under;
 - II. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made there under;
 - III. The Depositories Act, 1996 and the Regulations and Byelaws framed there under;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent applicable;
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company.
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable.**
 - d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients. **M/s Bigshare Services Pvt. Ltd., E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Saki Naka, Andheri(E), Mumbai - 400 072 is the Authorized R & T of the company as per the agreement executed by the company.**
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable.**
 - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not applicable.**
 - g. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable.**

- h. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable.**
- i. The Company has generally complied with the requirements under the Equity Listing Agreements entered into with BSE Limited and Ahmedabad Stock Exchange Limited; and
- k. The Memorandum and Articles of Association.

Other Laws applicable to the Company are:

- i. The Securitizations and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002
- ii. The Factories Act, 1948
- iii. The Minimum Wages Act, 1948
- iv. The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- v. The Payment of Bonus Act, 1965
- vi. The Payment of Gratuity Act, 1972
- vii. The Contract Labour (Regulation and Abolition) Act, 1970
- viii. The Maternity Benefits Act, 1961
- ix. The Income Tax Act, 1961
- x. The Maharashtra Value Added Tax, 2002
- xi. The Central Excise Act, 1944
- xii. The Customs Act, 1962
- xiii. The Finance Act, 1994 (Service Tax as amended)
- xiv. The Central Sales Tax Act, 1956
- xv. The Water Prevention and Control of Pollution Act, 1978.
- xvi. SEBI (Listing Obligation and Disclosure Regulation) 2015.
- xvii. The Sick Industrial Companies (SICA) Act, 1985

2. I further report that the Company has, in my opinion, complied with the provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs time to time and the Memorandum and Articles of Association of the Company, with regard to:

- a. Maintenance of various statutory registers and documents and making necessary entries therein;
- b. Closure of the Register of Members.
- c. Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d. Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e. Notice of Board meetings and Committee meetings of Directors;
- f. The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g. The Annual General Meeting is held on 30th September, 2015;
- h. Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i. Approval of the members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- j. Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole time Directors;
- k. Payment of remuneration to Directors including the Managing Director and Whole time Directors,
- l. Appointment and remuneration of Auditors and Cost Auditors;
- m. Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- n. Declaration and payment of dividends; **Not Applicable**
- o. Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs; **Not Applicable**
- p. Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q. Investment of the Company's funds including investments and loans to others; explained in 8(d) below;
- r. Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s. Contracts, common seal, registered office and publication of name of the Company; and
- t. Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of



the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notices are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for a meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- The Company has obtained all necessary approvals under the various provisions of the Act; .No prosecution proceedings were initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. I further report that, the status of the Company during the financial year under review is that of a listed Company and a Sick Industrial Unit under the provisions of Sick Industrial Companies Special Provisions Act, 1985.

5. I further report that, compliance with applicable Financial Laws including Direct and Indirect Tax laws by the company has not been reviewed in this Audit, since the same has been subject to review by Statutory Auditors and other designated professionals.

6. I further report that, based on the information received and records maintained, there are adequate systems and processes in place in the Company, commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

7. during the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above except to the extent as mentioned below:

- a) As per section 203 of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, it is mandatory to appoint company secretary in whole time employment as Key Managerial Personnel. The Company has not appointed the same till date; however, the company is in search of a suitable candidate.
- b) A listed company has to mandatorily constitute a Corporate Social Responsibility Committee. However, it is explained that, in view of continuing losses, the said committee has not been constituted.
- c) Company is in the process of implementing systems to comply with the requirements of the Secretarial Standards issued by The Institute of Company Secretaries of India
- d) The company has not, complied with the provisions of Section 186 of the Companies Act 2013.

**For Girish Bhandare & Associates
Company Secretaries**

**Girish Bhandare
Proprietor M. No. 30505 & CP 11092
Place: Aurangabad
Date: 05.05.2017**



“ANNEXURE A”

**To,
The Board of Directors
Nath Pulp and Paper Mills Limited
CIN: L21100MH1975PLC018289
Regd. Office: Nath House Nath Road Aurangabad - 431005**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, i followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, i have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Girish Bhandare & Associates
Company Secretaries**

**Girish Bhandare
Proprietor M. No. 30505 & CP 11092
Place: Aurangabad
Date: 05.05.2017**



INDEPENDENT AUDITORS' REPORT

**TO,
THE MEMBERS OF,
NATH PULP AND PAPER MILLS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **NATH PULP AND PAPER MILLS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes valuating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for qualified opinion

- (a) The accumulated losses of the Company exceed its net worth. The financial statements have, however, been prepared by the management on a going concern basis, as explained in Note No. 28.11. Should, however, the Company be unable to continue as a going concern, the extent of effect of the resultant adjustments on the assets and liabilities as at the end of the year and loss after exceptional items, for the year has not been ascertained presently.
- (b) In respect of inter-corporate Loans / Advances, prima-facie, the company has not complied with section 186 of the Act, in as much as these are interest free loans for which approval of the financial institutions has not been obtained. Maximum amount outstanding during the year Rs 62,49,976 (previous year Rs. 2,71,84,055) and amount outstanding as at the close of the year Nil (previous year Rs. 45,49,976). Refer note no 28.09
- (c) The Company has defaulted in repayment of installment to the Financial Institutions consequently the Financial Institutions have a right to revoke the concessions granted under the Sanctioned Scheme by Hon'ble BIFR. Further, the Company has not provided for liability on account of interest to the extent of Rs. 3,19,32,740/- .Refer note no. 28.13.



Had this observation made by us been considered the loss for the year would have been Rs. 18,09,30,984/- (as against reported loss figure of Rs. 14,89,98,244), accumulated losses would have been Rs 29,16,14,770/- (as against reported figure of Rs. 25,96,82,030) and secured loans under Long Term Borrowings would have been Rs. 52,16,84,568/- (as against reported figure of Rs.48,97,51,828/-)

- (d) The Company has classified borrowings of Rs. 27,00,00,000 payable to a Financial Institution as on 31st March, 2017 as Long Term Borrowings which ought to have been classified as Short Term borrowing as required under Schedule III of the Act. Refer Note no. 3.
- (e) We are unable to express an opinion as to when and to what extent the Deferred Tax Assets recognized of Rs.19,59,07,053 would reverse, as there is no virtual certainty as contemplated in Accounting Standard (AS) 22 of "Account for Taxes on Income" issued by Companies (Accounting Standard) Rules, 2006.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to:-

Note No 28.07 to the financial statements which describes that Trade Payable, Trade Receivable, Deposits, Loans and Advances are subject to confirmation and reconciliation.

Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in Terms of sub section (11) of section 143 of the Act, we give in the Annexure A, a statement of the matters specified in the paragraph 3 and 4 of the order.
- 2) As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements -Refer Note 28.01 to the financial statements;
 - ii. The Company does not have long term contracts or derivative contracts which require provision.
 - iii. There is no amount required to be transferred to investor education and protection fund.

For Gautam N Associates
Chartered Accountants
F. R. No. 103117W

Place: Aurangabad
Date: - 30/05/2017

CA Gautam Nandawat M. No. 032742
[Partner]



Annexure A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of **NATH PULP AND PAPER MILLS LIMITED** ("the Company") for the year ended on 31st March 2017. We report that:

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) These fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are held in the name of the company.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such verification;
- (iii) The company has granted interest free unsecured loans to two bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
 - a) In our opinion the terms and conditions on which the loans had been granted to the bodies corporate listed in the register maintained under section 189 of the Act were not, prima facie prejudicial to the interest of the Company looking to long term business exigencies/purposes.
 - b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principal as stipulated.
 - c) There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provisions of section 185 of the Act, with respect to the loans and investment made *except certain interest free loans given to the bodies corporate*.
- (v) The Company has not accepted deposits within the meaning of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the company pursuant to the order of the Central Government under sub-section (1) of section 148 of the Companies Act and are the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The company is regular in depositing Custom Duty, Excise Duty and other applicable Cesses. The company is not regular in depositing undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax and any other statutory dues with the appropriate authorities except the following which have not been deposited and are outstanding for a period of more than six months from the date they became payable at the close of the year.

Sr. No.	Name of the Statute	Nature of the dues	Amount (Rs.)
1	The Employees' Provident Funds and Miscellaneous Provisions Act ,1952	Employees Contribution to Provident Fund	65,096
2	The Maharashtra State tax on Professional Trades, Calling and Employment Act ,1975	Professional Tax	36,027



(b) According to the records of the company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute except the followings:

Particulars	Forum where the dispute is pending	Amount	Period to which the Amount Relates
Sales Tax	Joint Commissioner of Sales Tax (Appeal) Aurangabad.	73,53,940	1989-1990
		74,44,447	1991-1992
		7,66,900	2006-2007
		14,69,710	2007-2008
		10,91,057	2011-2012
Excise Duty	Customs, Excise & Service Tax Appellate Tribunal Mumbai.	32,44,508	2006-2007
Service Tax	Commissioner of Central Excise (Appeal) Nagpur	11,72,414	July 2012- March 2015

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in payment of dues to bank or debenture holders except dues to the financial institutions. Refer Note no. 28.13.

(ix) The company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.

(x) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the year, nor have we been informed of such case by the management.

(xi) Managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act.

(xii) As the Company is not a Nidhi company, the provisions of the Nidhi Rules is not applicable to the Company.

(xiii) All transaction with the related parties is in compliance with section 177 and 188 of the Companies Act, 2013. The details have been disclosed in the Financial Statements etc. as required by the Accounting Standard.

(xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) The company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Gautam N Associates
Chartered Accountants FRN 103117W

Place: Aurangabad
Date: - 30/05/2017

CA Gautam Nandawat M. No. 032742
[Partner]



Annexure- B to the Auditors' Report

Report on the Internal Financial Control under clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial control over financial reporting of **NATH PULP AND PAPER MILLS LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence of company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted- accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected' Also, projections of future evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion ,to the best of our information and according to the explanation given to us ,the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit Of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For Gautam N Associates
Chartered Accountants
FRN 103117W**

**Gautam Nandawat
Partner
Membership No 032742**

**Place: Aurangabad
Dated: 30.05.2017**

Balance Sheet as at 31ST March, 2017

PARTICULARS	Note No	As at 31st March, 2017 (Rupees)	As at 31st March, 2016 (Rupees)
EQUITY AND LIABILITIES			
1) Shareholders' Funds:			
Share Capital	1	90,000,000	90,000,000
Reserves and Surplus	2	162,937,380	(69,284,065)
Sub Total		252,937,380	20,715,935
2) Share Application Money			
		-	-
3) Non Current Liabilities			
Long Term Borrowings	3	495,516,846	245,686,081
Long Term Provisions	4	24,666,239	25,271,756
Sub Total		520,183,085	270,957,837
4) Current Liabilities			
Short Term Borrowings	5	60,466,396	78,081,140
Trade Payable	6	137,581,519	129,386,740
Other Current Liabilities	7	54,867,795	48,518,658
Short Term Provision	8	6,779,981	5,472,019
Sub Total		259,695,690	261,458,557
TOTAL		1,032,816,155	553,132,329
ASSETS			
1) Non Current Assets			
Fixed Assets (Tangible assets)	9	509,620,108	124,338,166
Capital Work in progress		-	-
Sub Total		509,620,108	124,338,166
Deferred Tax Asset (net)	10	195,907,053	138,539,331
Long Term Loans and Advances	11	81,987,977	54,145,910
Other Non Current Assets	12	11,802,897	11,802,897
Sub Total		289,697,927	204,488,138
2) Current Assets			
Inventories	13	76,840,464	85,220,440
Trade Receivable	14	136,930,879	111,858,485
Cash and Cash Equivalents	15	2,519,713	5,503,766
Short Term Loan and Advances	16	17,207,064	21,723,334
Sub Total		233,498,120	224,306,025
TOTAL		1,032,816,155	553,132,329
Notes on Financial Statements	1 to 30		

As per our Report of even date

For Gautam N Associates.
Chartered Accountants
F. R. No. 0103117W

For and on Behalf of the Board of Directors

CA Gautam Nandawat M.No. 032742
Partner
Place: Aurangabad
Date: 30th May, 2017

Akash Kagliwal
Managing Director
DIN:01691724

S.S. Agrawal **Vijay Saboo**
Director Chief Financial Officer
DIN:00119681

Statement of Profit and Loss for the Year Ended 31ST March, 2017

PARTICULARS	NOTE NO	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Revenue from Operations (Gross)	17	1,056,632,620	936,299,116
Less: Excise Duty		73,938,259	62,550,873
Revenue from Operations (Net)		982,694,361	873,748,243
Other Income	18	14,686,412	8,943,406
Total Revenue		997,380,773	882,691,649
Expenses			
Cost of Material Consumed	19	672,316,447	601,660,128
Manufacturing & Operating Cost	20	198,860,999	211,093,270
Changes in Inventories	21	1,934,191	(30,920,317)
Payment to and Provision for Employees	22	59,548,140	54,759,339
Finance Cost	23	5,592,700	4,758,870
Depreciation Expenses	9	6,652,080	9,049,792
Other Expenses	24	48,904,810	28,135,941
Total Expenses		993,809,367	878,537,023
Profit / (Loss) before Exceptional Item		3,571,406	4,154,627
Exceptional Item (Interest on dues of ARC Trust) (Refer Note no 28.13)		209,090,000	-
Profit / (Loss) after Exceptional Item		(205,518,594)	4,154,627
Prior Period Items	25	847,372	4,618,789
Profit / (Loss) before Tax		(206,365,966)	(464,162)
Tax Expenses		-	-
Deferred Tax Liability (Net)	10	(57,367,722)	9,424,372
Profit/ (Loss) for the year		(148,998,244)	(9,888,534)
Basic & diluted earnings per share face value of Rs 10 after exceptional item		(16.56)	(1.10)
Basic & diluted earnings per share face value of Rs 10 before exceptional item		6.68	(1.10)
Notes on Financial Statements	1 to 30		

As per our Report of even date
For Gautam N Associates.
Chartered Accountants
F. R. No. 0103117W

For and on Behalf of the Board of Directors

CA Gautam Nandawat
M.No. 032742
Partner
Place: Aurangabad
Date: 30th May, 2017

Akash Kagliwal
Managing Director
DIN: 01691724

S.S. Agrawal **Vijay Saboo**
Director **Chief Financial Officer**
DIN: 00119681

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the Year Ended 31st March, 2017 (Rupees)		For the Year Ended 31st March, 2016 (Rupees)	
A. Cash flow from operating activities				
Net Profit / (Loss) before Tax		(206,365,966)		(464,162)
Adjustments for:				
Depreciation and amortization	6,652,080		9,049,792	
Depreciation of Earlier year	(5,749,939)		-	
Exceptional Item (Interest on ARC Trust Loan)	209,090,000		-	
Finance costs	5,592,700		4,758,870	
Interest income	(2,593,594)		(2,754,779)	
Liabilities / provisions no longer required written back	(2,830,443)		(143,880)	
Provision for doubtful trade and other receivables, loans and advances w/off	2,924,595		415,483	
Other non-cash charges (Provision for Gratuity, Leave & Bonus)	-	213,085,399	4,740,133	16,065,619
Operating profit / (loss) before working capital changes		6,719,433		15,601,457
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	8,379,976		17,670,366	
Trade receivables	(27,996,989)		(60,301,808)	
Short-term loans and advances	4,516,270		28,772,647	
Long-term loans and advances	(27,842,068)		(8,257,972)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	11,025,221		22,600,472	
Other current liabilities	6,349,137		6,596,012	
Short-term provisions	1,307,962		161,548	
Long-term provisions	(605,517)	(24,866,008)	(3,620,303)	3,620,962
Net cash flow from / (used in) operating activities (A)		(18,146,575)		19,222,419
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(4,964,393)		(14,019,160)	
Interest received				
- Others	2,593,594	(2,370,799)	2,754,779	(11,264,381)
Net cash flow from / (used in) investing activities (B)		(2,370,799)		(11,264,381)
C. Cash flow from financing activities				
Proceed from long-term borrowings	40,740,765		(28,352,301)	
Repayment of other short-term borrowings	(17,614,744)		26,851,919	
Finance cost	(5,592,700)	17,533,321	(4,758,870)	(6,259,252)
Net cash flow from / (used in) financing activities (C)		17,533,321		(6,259,252)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(2,984,053)		1,698,786
Cash and cash equivalents at the beginning of the year		5,503,766		3,804,980
Cash and cash equivalents at the end of the year		2,519,713		5,503,766
Comprises: Cash and Cash Equivalents				
(a) Cash on hand	286,979		558,277	
(b) Balances with banks in Current Accounts	2,232,734	2,519,713	4,945,489	5,503,766

Note (i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 "Cash Flow Statement", issued by the Institute of Chartered Accountants of India.

(ii) Figures in bracket indicate outgo.

See accompanying notes forming part of the financial statements

As per our Report of even date

As per our Report of even date

For Gautam N Associates.

Chartered Accountants

F. R. No. 0103117W

For and on Behalf of the Board of Directors

CA Gautam Nandawat

M.No. 032742

Partner

Place: Aurangabad

Date: 30th May, 2017

Akash Kagliwal
Managing Director

DIN: 01691724

S.S. Agrawal

Director

DIN: 00119681

Vijay Saboo

Chief Financial Officer

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS****Note No 1: Share Capital****Authorised Share Capital**

PARTICULARS	As at 31st March, 2017	As at 31st March, 2016
Authorised		
3,50,00,000 Equity Shares of Rs. 10 each	350,000,000	350,000,000
Issued, Subscribed and Fully Paid Up		
90,00,000 Equity Share of Rs. 10 each Fully paid up	90,000,000	90,000,000
Closing Balance 9,000,000 Equity Shares of Rs 10 Each Fully paid up	90,000,000	90,000,000

a) Details of Shareholders holding more than 5% Shares in the Company**Equity Shares with Voting rights**

Particulars		As at 31st March, 2017	As at 31st March, 2016
	% of Holding	No of Shares Held	No of Shares Held
ARC Trust	22.22	2,000,000	2,000,000
Tapovan Paper & Board Mills Ltd	22.22	2,000,000	2,000,000
Akash Farms Pvt Ltd	22.22	2,000,000	2,000,000
Ashu Farms Pvt Ltd	22.22	2,000,000	2,000,000

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	9,000,000	90,000,000	9,000,000	90,000,000
Shares Issued during the year	-	-	-	-
Shares Bought-back during the year	-	-	-	-
Shares outstanding at the end of the year	9,000,000	90,000,000	9,000,000	90,000,000

a) Rights of Equity Shareholder

The Company has only one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity shareholders will be entitled to receive any of remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

Note No 2: Reserve & Surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
Revaluation Reserves (Refer Note no.28.03)		
Opening Balance	41,399,720	41,530,934
Add: Land Revalued during the year	381,260,429	-
Add: Excess depreciation charged in earlier years	63,766	-
Less: Transferred to Profit & Loss Account	104,505	131,214
Closing Balance	422,619,410	41,399,720
Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(110,683,786)	(100,795,251)
Less: Surplus/ (Deficit) for the year	(148,998,244)	(9,888,534)
Closing Balance	(259,682,030)	(110,683,785)
Total	162,937,380	(69,284,065)

Note No 3 Long Term Borrowings



Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Term Loan Secured		
ARC Trust	270,000,000	64,910,000
(I) Term Loans are secured by way of first charge on movable and immovable properties of the Company including its movable plant & machinery, spares, Tools and accessories and other movables both present and future (Save and except books debts) situated at Village Wahegaon and Issarwadi, Paithan Dist Aurangabad Maharashtra and collaterally secured by mortgage of certain plots of land belonging to a group company and relatives of director		
(II) First Charge by way of hypothecation of entire current Assets, Book debts, both present and future of the Company		
(III) Secured by mortgage of certain land and building.		
(IV) Secured by personal guarantee by a promoter of the Company.		
(V) Refer Note No. 28.14 for repayment schedule and overdue as on 31st March, 2017		
Sub Total	270,000,000	64,910,000
b) Deferred Payment liabilities		
Unsecured		
Deferred Sales Tax Liabilities (Interest Free) (Refer Note No 28.12)	225,516,846	180,776,081
Sub Total	225,516,846	180,776,081
Total	495,516,846	245,686,081

Note No 4 Long Term Provision

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for Employees benefits:		
Provision for Gratuity (Net) (Refer Note No 29.01)	21,159,220	22,079,978
Provision for Leave Entitlement	3,507,019	3,191,778
Total	24,666,239	25,271,756

Note No 5 Short Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured		
Loans and advances from Related Parties (Refer Note No 29.02)	1,907,867	8,080,882
Other Loans and Advances	58,558,529	70,000,258
TOTAL	60,466,396	78,081,140

Note No 6 Trade Payable

Particulars	As at 31st March, 2017	As at 31st March, 2016
Micro Small and Medium Enterprises (Refer Note no.28.02)	-	-
Others (including payable to related parties Rs.6,03,29,125; Previous year Rs. 3,45,81,883)	137,581,519	129,386,740
Total	137,581,519	129,386,740

Note No 7 Other Current Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
a)Current Maturities of Long Term Borrowings		
Industrial Finance Corporation of India (IFCI Limited)	6,462,061	7,103,388
Sub Total	6,462,061	7,103,388
b) Others Payable		
Book Over Draft	5,146,550	1,401,418
Statutory Liabilities	5,360,057	5,736,113
Trade & Security Deposit Received	8,042,647	6,947,599
Advances from Customers	7,435,816	3,742,816
Other	22,420,663	23,587,324
Sub Total	48,405,734	41,415,270
Total	54,867,795	48,518,658

Note No 8 Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits:		
Statutory Bonus Payable	1,588,608	1,635,450
Provision for Gratuity	4,592,477	3,327,883
Provision for Leave Entitlement	598,896	508,686
Total	6,779,981	5,472,019



Nath Pulp and Paper Mills Limited

2017

Note 9: TANGIBLE ASSETS

Tangible Assets	Gross Block				Depreciation				Net Block			
	Balance as At 1st April, 2016	Additions	Adjustment	Deduction	Balance As at 31st March, 2017	Balance as At 1st April, 2016	Depreciation on / Amortisation Expenses for the year	Adjustment #	Deduction	Balance As at 31st March, 2017	As at 31st March, 2016	
Freehold Land	38,739,571		381,260,429	-	420,000,000	-	-	-	-	-	420,000,000	38,739,571
Buildings	185,609,703	-	-	-	185,609,703	166,045,448	897,910	(1,381,673)	-	165,561,685	20,048,018	19,564,256
Plant & Machinery	1,354,660,283	4,447,821	-	-	1,359,108,104	1,289,240,721	5,485,626	(4,264,790)	-	1,290,461,557	68,646,547	65,419,562
Office Equipment	3,670,979	67,759	-	-	3,738,738	3,375,507	147,133	(124,504)	-	3,398,136	340,602	295,472
Computers	1,520,867	448,813	-	-	1,969,680	1,381,298	189,237	12,777	-	1,583,312	386,368	139,569
Vehicles	586,343	-	-	-	586,343	551,800	9,839	(4,613)	-	557,026	29,317	34,543
Furniture's & Fixtures	3,861,023	-	-	-	3,861,023	3,715,829	26,840	(50,902)	-	3,691,767	169,256	145,193
Sub-Total	1,588,648,769	4,964,393	381,260,429	-	1,974,873,591	1,464,310,603	6,756,585	(5,813,705)	-	1,465,253,483	509,620,108	124,338,166

Particulars	As at 31st March, 2017	As at 31st March, 2016
Depreciation and amortization	6,756,585	9,181,006
Less: Utilised from Revaluation Reserve	104,505	131,214
Depreciation and amortization	6,652,080	9,049,792

The Company has recomputed the depreciation of the previous year in accordance with the provisions of Schedule II to the Companies Act, 2013 based on the useful life of the assets and the excess depreciation of Rs. 58,13,705 charged in the previous year as shown under the head "Prior period items" has been reversed and correspondingly readjusted to the value of the respective assets.

**Note 10 Deferred Tax Assets (Net)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Tax Effect of Item constituting deferred tax liability		
On difference of WDV between books balance and tax balance of Fixed Assets	10,306,003	3,646,812
Sub Total (a)	10,306,003	3,646,812
Tax Effect of Item constituting deferred tax assets		
Disallowance u/s 40(a)(i), 43(B) of the Income Tax Act, 1961	74,432,077	1,036,974
Carried forwarded unabsorbed depreciation	131,780,979	133,855,545
Sub Total (b)	206,213,056	134,892,519
Total (b-a)	195,907,053	138,539,331

As per AS – 22 “Accounting for taxes on Income” Deferred Tax Assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which Deferred Tax Assets can be realized. Deferred tax assets are reviewed at each Balance Sheet Date. The Company has recognized deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits of the Company

Note 11 Long Term Loan and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured Considered good		
Capital Advance	1,646,000	1,911,195
Deposits with government authorities and others	38,757,342	38,757,342
VAT Set off Receivable	39,385,162	11,328,897
TDS / TCS Receivable	2,199,474	2,148,476
Total	81,987,977	54,145,910

Note 12 Other Non Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Electricity Duty Refund Receivable (interest deducted by Jdl)	1,333,868	1,333,868
Additional Supply Charges Receivable from MSEDCL	10,469,029	10,469,029
Total	11,802,897	11,802,897

**Note 13 Inventories
(As taken, valued and certified by the Management)**

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials & Chemicals	21,153,645	17,334,745
Work-in-process	694,262	1,389,768
Finished Goods	32,685,627	33,924,312
Stores and Spare parts	19,819,868	16,725,199
Packing Material	1,182,827	1,097,593
Fuel	674,722	11,248,817
Scrap and other materials	268,389	268,389
Stock in Transit -Fuel	361,124	3,231,617
Total	76,840,464	85,220,440

Note 14 Trade Receivable

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Receivable outstanding for a period exceeding six months from the date they were due for payment		
Secured; Considered good,	1,100,000	1,042,281
Unsecured; Considered good,	6,342,793	7,598,506
Considered doubtful,	-	6,548,867
Sub Total	7,442,793	15,189,654
Less: Provision for doubtful trade receivables	-	6,548,867
Sub Total	7,442,793	8,640,787
Other Trade Receivables		
Secured; Considered good,	1,100,000	3,449,457
Unsecured ;Considered good,	128,388,086	99,768,241
Sub Total	129,488,086	103,217,698
Total	136,930,879	111,858,485

Note 15 Cash and cash Equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash on Hand	286,979	558,277
Balance with Bank in Current Account	2,232,734	4,945,489
Total	2,519,713	5,503,766

Note 16 Short Term Loan and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured considered goods unless otherwise stated		
Loan and Advance to Employees	317,735	377,722
Prepaid expenses	239,588	278,030
Balance with Government Authorities (Net of provision of Rs. 7,11,322)	3,302,950	4,119,746
Others	13,346,791	16,947,836
Total	17,207,064	21,723,334

Note 17 Revenue from Operations

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Sale of Products		
a) Manufactured Goods		
Kraft and Coated Paper	1,054,232,620	934,762,051
Less: Excise Duty	73,938,259	62,550,873
Sub Total	980,294,361	872,211,178
b) Sale of Service Consulting Service	2,400,000	-
c) Traded Goods	-	1,537,065
Net revenue from Operations	982,694,361	873,748,243

Note 18 Other Income

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Scrap & Other Sales	3,934,227	4,426,344
Interest Income (Interest on overdue trade receivables)	2,593,594	2,754,779
Liabilities/ Provision no longer required written back	2,830,443	143,880
Insurance Claims Received	1,924,523	95,849
Insurance Charges (Net of Premium Paid)	2,727,506	1,274,820
Misc. Income	676,120	247,734
Total	14,686,412	8,943,406

Note 19 Cost of Material Consumed

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Opening Balance	17,334,745	61,407,911
Add: Purchase (Raw Material & Chemicals)	676,135,348	557,586,962
Less: Closing Stock	21,153,645	17,334,745
Cost of Material Consumed	672,316,447	601,660,128

a) Details of Material Consumed

Waste Paper	433,068,921	416,438,886
Base Paper	137,717,232	95,982,124
Chemicals	101,530,295	89,239,118
Total	672,316,447	601,660,128

Note 20 Manufacturing and Operating Cost

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Consumption of Stores & Spares	23,603,631	22,375,871
Consumption of Packing Material	4,590,933	5,911,635
Consumption of Fuel	97,361,089	96,434,468
Power Consumed	60,240,803	69,762,454
Water Charges	902,839	1,806,221
Repairs to Machinery	109,746	497,202
Security Charges	1,747,777	1,778,743
Freight and Forwarding	2,203,909	3,311,481
Other Manufacturing Expenses	8,100,272	9,215,195
Total	198,860,999	211,093,270

Note 21 Changes in Inventories of Finished Goods, Work In Progress and Stock In Trade

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Inventories at the end of the year:		
Finished Goods	32,685,627	33,924,312
Work-in-Process	694,262	1,389,768
Scrap & Other Material	268,389	268,389
Sub Total	33,648,278	35,582,469
Inventories at the beginning of the year:		
Finished Goods	33,924,312	4,458,697
Work-in-Process	1,389,768	-
Scrap & Other Material	268,389	203,455
Sub Total	35,582,469	4,662,152
Net (Increase) / Decrease	1,934,191	(30,920,317)

Note 22 Employee Benefit Expenses

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Salary , Wages & Bonus	50,838,026	49,480,606
Contribution to Provident & Other Funds	3,502,218	3,134,229
Staff Welfare Expenses	793,703	760,684
Gratuity & Leave Entitlement	4,414,193	1,383,820
Total	59,548,140	54,759,339

Note 23 Finance Cost

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Interest on Term Loan	382,551	548,655
Interest on Dealers Security Deposit	322,000	554,372
Others	4,888,149	3,655,843
Total	5,592,700	4,758,870

**Note 24 Other Expenses**

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Rates and taxes	4,180,489	1,123,849
Insurance Premium	635,691	-
Rent Expenses	840,845	957,104
Repairs Other	4,618,261	4,524,306
Increase / (Decrease) of Excise Duty on Inventory	114,600	1,660,619
Telephone & Telex	460,484	404,413
Printing and Stationery	432,327	409,602
Auditors' Remuneration		
Statutory Audit fees	250,000	150,000
Tax audit fees	50,000	25,000
Other professional services	50,000	25,000
Legal & Professional	7,470,727	4,766,514
Sales Discount	19,286,142	4,977,598
Business Promotion	214,744	306,285
Miscellaneous expenses	1,762,051	1,359,346
Directors Sitting Fees	65,450	85,000
Travelling & Conveyance Expenses	2,963,165	3,594,832
Sundry debit balances written off	2,924,595	415,483
Office Expenses	2,585,240	3,350,990
Total	48,904,810	28,135,941

Note 25 Prior Period Items

Particulars	For the Year Ended 31st March, 2017	For the Year Ended 31st March, 2016
Prior Period Expenses		
Gratuity of earlier year	-	3,356,313
Provident Fund 7Q Interest 1999 to Jan-13	708,764	-
Sales Tax Deferral of earlier year	5,765,018	-
Miscellaneous Expenses (pertaining to previous year)	123,529	2,200,819
Sub Total	6,597,311	5,557,132
Prior Period Income		
Depreciation Effect (Net) (Excess provision earlier year)	5,749,939	-
Miscellaneous Income (pertaining to previous year)	-	938,344
Sub Total	5,749,939	938,344
Total	847,372	4,618,789



Notes forming part of the financial statements

NOTE 26: CORPORATE INFORMATION:

The company is registered with the Registrar of Companies, Maharashtra State, Mumbai vide Registration. No. L2100MH1975PLC018289 dated 10/04/1975 under the Companies Act, 1956 (No.1 of 1956). The registered office of the Company is situated at Nath House, Nath Road, Aurangabad. The Company is the leading producer of high strength core board and Thermal grade paper used by text tube manufacturers.

NOTE 27: SIGNIFICANT ACCOUNTING POLICIES:

A. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements are prepared on historical cost basis (except for revaluation of certain fixed assets) in accordance with applicable Accounting Standards notified under the relevant provisions of the Companies Act, 2013 (the Act) and on the accounting principles of a going concern. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. The financial statements are presented in Indian rupees.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with Indian GAAP requires Board of Directors to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of revenue and expenses for that year. Actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C. INVENTORIES:

Items of inventories are valued at lower of the cost and net realizable value. Cost is assigned on weighted average basis. Obsolete, defective and unserviceable stocks are provided for, if any. Cost of work-in-process and finished goods include material cost and appropriate share of manufacturing overheads. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

D. REVENUE RECOGNITION:

i) Products:

Revenue from sale of goods is recognized when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Sales are net of sales returns, trade discounts, sales taxes and excise duties.

ii) Services:

The Company recognizes revenue when the significant terms of the arrangement are enforceable, services have been delivered and the collectability is reasonably assured. The method of recognizing the revenues and costs depends on the nature of the services rendered. Revenue from services is recognized on completion of services.

iii) Other Income:

Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided and provisions made for goods lying in bonded warehouses.

E. FIXED ASSETS AND DEPRECIATION:

Fixed Assets are stated at cost except Land, Building certain Plant & equipments which were revalued on 30th March, 2017 and are stated at revalued cost less depreciation, wherever applicable. Depreciation on assets is provided as per useful life and in the manner specified in Schedule II to the Act.

Depreciation on machinery spares of the nature of capital and having irregular use is provided prospectively over a period, not exceeding the useful life of the asset to which they relate. Depreciation on Fixed Assets added / disposed of during the year, is provided for on pro-rata basis with reference to the date of addition / disposal / discarding.

F. CAPITAL WORK-IN-PROGRESS:

Expenditure related to and incurred during implementation of expansion cum modernization projects are included under Capital Work-in-Progress and the same are capitalized under the appropriate heads on completion of the project.

G. TRANSACTIONS IN FOREIGN CURRENCY:

Transactions in foreign currency are recorded at the rate of exchange in force on the date of the transactions. Current assets, current liabilities and borrowings denominated in foreign currency are translated at the exchange rate prevalent at the date of the Balance Sheet. The resultant gain/loss are recognized in the Statement of Profit & Loss.

H. GOVERNMENT GRANTS AND SUBSIDY:

Grants and subsidies from the government are recognized when there is reasonable assurance that (a) the company will comply with the conditions attached to them, and (b) the grant/subsidy will be received. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is reduced from the cost of the asset. Grants which are given as equity support are disclosed as promoter contribution under the head Capital Reserve.

I. INVESTMENTS:

- a) Investments, which are readily realizable and are intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.
- b) Long-term investments are valued at cost less provision for diminution other than temporary, in the value of such investments. Current investments are valued at lower of cost and fair value.

J. EMPLOYEE BENEFITS:**i) Defined Contribution Plan:**

The company has defined contribution plan namely Provident Fund, administered by the Regional Provident Fund Commissioner. Regular contributions made to Provident Fund are charged to the Statement of Profit and Loss. The company has no further obligation beyond making its contribution on monthly basis.

ii) Defined Benefit Plan:

The company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The gratuity plan provides a lump sum payment to vested employees on retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined at the end of each year. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise.

iii) Compensated Absences:

The employees of the company are entitled to leave as per the leave policy of the company. The liability for the compensated absences is provided on the basis of valuation, carried out by an independent

actuary. Gains and losses arising out of actuarial valuations are recognized immediately in the Statement of Profit and Loss as income or expense.

K. BORROWING COSTS:

Borrowing cost attributable to the acquisition and construction of qualifying fixed assets are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to the Profit & Loss Account.

L. EARNING PER SHARE:

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the company's earnings per share are the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year.

The weighted average number of equity shares outstanding during the year and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

M. INCOME TAX:

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carry forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the group reassesses unrecognized deferred tax assets, if any.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

N. IMPAIRMENT OF ASSETS:

In accordance with AS 28 on 'Impairment of Assets', where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of such assets exceeds its recoverable amount. Impairment loss is recognized in the profit and loss account. If at the balance sheet date there is any indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the assets are restated to that effect.

O. CONTINGENT LIABILITIES / ASSETS AND PROVISIONS:

Contingent Liabilities in respect of show cause notices received are considered only when they are converted into demands. Contingent Liabilities under various fiscal laws include those in respect of which the Company / Department is in appeal. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation. Contingent Liabilities are disclosed in notes to financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

NOTE 28: ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS
28.01 Contingent Liabilities and Capital Commitments (to the extent not provided for)

Particulars	As at 31st March, 2017 Rs	As at 31st March, 2016 Rs
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debts		
(i) Disputed Demands of Central Excise & Service Tax	65,31,719	52,97,335
(ii) Disputed demands of Sales Tax	2,00,43,084	1,98,17,049
(iii) Disputed demands of Water Cess (including interest up to the date of demand)	15,98,193	15,98,193
(iv) Disputed demand of Property Tax from Gram Panchayat	27,55,934	27,55,934
(v) Deferred sales tax Liability transferred to another Company (with recourse)	15,86,36,440	15,86,36,440
(vi) Amount of interest liability/ penalty, if any on delayed /non-deduction/ non-payments of certain creditors/ loans/ debenture trustee remuneration /statutory dues /Lease liability/ penal interest/ liquidated damages on secured /unsecured borrowings / Redeemable Bonds/ Labor related liability	Amount presently unascertainable	Amount presently unascertainable
(b) Other money for which the Company is contingently liable:		
(i) Liability that may arise on account of waiver being withdrawn with retrospective effect due to default in repayment to Arc Trust.	Amount Unascertainable	Amount Unascertainable
(ii) Interest and other charges that may be levied on account of non compliance of payment conditions as stipulated by ARC Trust vide their letter dated 18 th March, 2016.	3,19,32,740	Amount Unascertainable
(ii) Capital Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets (Net of advance of Rs 16,46,000/-)	28,80,075	29,55,914

28.02 The Company has dispatched the letter to certain vendors to ascertain their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based upon the confirmation received from the following parties, the principal dues and interest worked out @36% thereon is as under:-

(Amount in Rs.)

S.N.	Party Name	Amount Payable	Interest Due
1.	Sark Alum Private Limited	Nil	Nil
2.	Pulsecho Systems (Bombay) Private Limited	Nil	Nil

28.03 a) Land, certain Buildings and Plant and Machinery were revalued as on June 30, 1994 and the resultant increase in value amounting to Rs 3,77,23,368 for Land, Rs.1,75,87,749 for Buildings and Rs.6,66,86,621 for Plant and Machinery aggregating to Rs.12,19,97,738 had been transferred to Revaluation reserve. The Valuation was carried out by an external approved valuer on the basis of replacement value of similar assets after considering the obsolescence and age of individual asset.

b) Land is further revalued as on 30th March, 2017 and the resultant increase in value amounting to Rs. 38,12,60,429/- has been transferred to Revaluation reserve. The valuation was carried out by an external approved valuer on the basis of replacement value of similar assets after considering the obsolescence and age of individual assets.

The following revalued amounts (Net of withdrawals remain substituted the historical cost in the gross block of Fixed Assets).

Particulars	As at 31 st March, 2017 Rs	As at 31 March, 2016 Rs.
Land	41,92,84,376	3,87,39,571
Buildings	6,49,16,000	6,49,16,000
Plant and Machinery	45,16,21,000	45,16,21,000

28.04 Value of imports calculated on CIF basis

Particulars	As at 31 March, 2017 Rs.	As at 31 March, 2016 Rs.
Raw materials & Chemicals (Imported & High seas Purchases)	11,64,93,151	16,40,62,063
Spare parts	Nil	Nil

28.05 Details of consumption of imported and indigenous items

Particulars	As at 31 st March, 2017		As at 31 March, 2016	
	Rs	%	Rs	%
Imported / High seas Purchase				
Raw materials & Chemicals (Imported & High seas)	9,88,97,748	100.00	21,86,73,072	100.00
	9,98,97,748	100.00	21,86,73,072	100.00
Indigenous				
Raw materials & Chemicals	57,34,28,549	96.05%	38,29,87,055	94.48%
Stores and Spare parts	2,36,03,631	3.95%	2,23,75,871	5.52%
	59,70,32,180	100.00	40,53,62,926	100.00

28.06 The Company is making concerted efforts to appoint a Whole time Company Secretary as required under the provisions of Section 203 of the Companies Act, 2013.

28.07 (a) The accounts of certain Debtors, Creditors / Loans given are subject to confirmations, reconciliations and adjustments, if any, having consequential impact on the profit for the year, assets and liabilities, the amounts whereof are presently not ascertainable. However, the management does not expect any material difference in the above accounts affecting the current year's financial statements.

(b) In the opinion of management, Current Assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

28.08 In the opinion of the management, the Company is mainly engaged in the business of manufacturing of paper. As such, there are no separate reportable segments.

28.09 Interest free Loans and Advances in the nature of loans as detailed below in Non compliance of the provisions Section 186 of the Act, in the earlier years, have since been recovered.

Name of the Party	Amount outstanding as on 31stMarch, 2017 Rs	Maximum outstanding during the year Rs	No of equity Shares held in the Company as on 31st March, 2017	Maximum no of equity shares held in the Company during the year
N Kagliwal Education & Research Pvt. Ltd	- (15,49,976)	32,49,976 (15,49,976)	Nil (Nil)	Nil (Nil)
Paresh Farms Pvt. Ltd.	- (30,00,000)	30,00,000 (30,00,000)	Nil (Nil)	Nil (Nil)

28.10 During the year, the Company has not appointed internal auditor as per the provisions of section 138 of the Companies Act, 2013. However, company has adequate inter control system commensurate to the size of company.

28.11 The Financial Statements for the year ended 31st March,2017 have been prepared on a "going concern basis" as the long term prospects appear better for the paper industry as also in view of the reliefs/concessions that the Company has obtained on sanction of rehabilitation package by the Board of Industrial and Financial Reconstructions (BIFR).

28.12 As per the directions given by Hon'ble BIFR vide sanctioned scheme dated 14th February, 2012:-

- a) The Department of Sales tax, Govt. of Maharashtra, vide its order dated 9th May 2017, has extended the repayment period of Deferred Sales Tax under the package scheme of incentive 1988, of Govt of Maharashtra by further 8 years.
- b) The Department of Industries, Government of Maharashtra has sanctioned vide their letter dated 07.12.2015, extension of Eligibility for the unutilized CQB of Rs. 19,51,74,505 under PSI-1988, for a further period of 5 years i.e. from 1st November, 2015 to 31st October, 2020.

In accordance with extended eligibility, the company has utilized Rs.3,89,75,747 during the year (Previous Year Rs. 1,31,49,044) vide Addenda No IX Dt. 29/02/2016 issued by Joint Director of Industries, Aurangabad Region, Aurangabad.

28.13 (i) Pursuant to the letter dated 18th March 2016 of ARC Trust , the Company is required to pay Rs. 31,00,00,000/- in settlement of their total dues on or before 30th September, 2016.

In addition, the Promoters/Guarantors of the Company are to arrange repurchase of 20,00,000 equity shares of the Company as held by ARC Trust @Rs. 32.50 per share on or before 30th September, 2016.

As on 31st March 2017 , there is an overdue principal amount of Rs.27,00,00,000 (Previous year Rs.6,49,10,000) and un-provided interest of Rs. 3,19,32,740 (Previous year Rs.14,04,50,329)

- (ii) Pursuant to the order of Hon'ble BIFR dated 11th November, 2013, the dues of IFCI is repayable w.e.f. 14th February, 2012 in 16 equal quarterly installments of Rs.5,12,500 each along with simple interest @ 12.50% p.a. on reducing balance method. As on 31st march 2017 ,there is an overdue of Rs.64,61,939 (Previous year Rs.71,03,388) towards principal and interest.

28.14 Overdue installments of financial Institutions as on 31stMarch 2017 are recognized as long term Borrowings instead of current liabilities as required under Schedule III to the Act. Outstanding balances as on 31st March, 2017 is subject to reconciliation. The three quarterly installments of Rs.5,12,500 are overdue since September, 2016.

NOTE 29: DISCLOSURES UNDER ACCOUNTING STANDARDS
29.01 Employee benefit plans:
Defined contribution plans

The Company makes Provident Fund contribution to defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognized Rs 34, 96,080 (Year ended 31st March, 2016Rs 31, 34,229) for Provident Fund contribution in the Statement of Profit and Loss. The contribution payable to this plan by the Company is at the rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit scheme to its employees:

i) Gratuity

The following table sets out the status of the defined benefit scheme and the amount recognized in the financial statement:

Particulars	Period Ended 31stMarch, 2017	Year Ended 31st March, 2016
Components of employers expenses		
Current service cost	9,90,368	9,71,626
Interest cost	19,81,813	19,19,951
Actuarial losses / (gains)	6,09,854	14,36,362
Total Expenses recognized in the Statement of Profit & Loss	35,81,936	43,27,939
Actual contribution and benefit payment for the year		
Actual benefit payments	32,38,199	31,61,886
Actual contribution	-	-
Net Asset / (Liability) recognized in the Balance Sheet		
Present value of defined benefit obligation	(2,57,51,697)	(2,50,47,861)
Net Asset / (Liability) recognized in the Balance Sheet	(2,57,51,697)	(2,54,07,861)
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	2,54,07,861	2,42,41,808
Current Cost	9,90,368	9,71,626
Interest cost	19,81,813	19,19,951
Actuarial (gain) / loss	6,09,854	14,36,362
Benefits paid	(32,38,199)	(31,61,886)
Present value of DBO at the end of the year	(2,57,51,697)	(2,54,07,861)
Actuarial assumptions		
Discount Rate	7.22%	7.80%
Salary escalation	7.00%	7.00%
Attrition	2.00%	2.00%
Mortality tables	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Experience Adjustments		
Gratuity present value of DOB	2,57,51,697	2,54,07,861
Experience gain / (loss) adjustments on plan liabilities	(1,42,637)	(12,74,659)

- ii) Para 132 of Accounting Standard 15 (Revised 2005) does not require any specific disclosures except where expense resulting from compensative absence is of such size, nature or incidence that its disclosure is relevant under Accounting Standard 5 or Accounting Standard 18. In the opinion of the management, the expense resulting from compensated absence is not significant and hence disclosures under various paragraphs of Accounting Standard 15 (Revised 2005) are not applicable. The liability for leave entitlement and compensated absences as at year end is Rs.41, 05,915 (March 31, 2016Rs. 37, 00,464).

**29.02 Related Party Transactions****Details of related parties:****Associates**

1. Nath Bio-Genes (India) Ltd.
2. Nath Nirman Infra Pvt. Ltd.
3. Tapovan International Trading Pvt. Ltd.
4. Techindia Nirman Limited

Key Management Personnel (KMP)

- Mr. Akash Kagliwal (Managing Director)
Mr. Vijay Saboo (Chief Finance Officer)

Details of related party transactions during the year ended 31st March, 2017 and balances outstanding as at 31st March, 2017:

Particulars	As at 31 st March, 2017 Rs.	As at 31 st March, 2016 Rs.
Purchases:		
Tapovan International Trading Pvt. Ltd.	34,07,82,055	18,88,89,222
Finance (including loans and equity contributions in cash or in kind) Given / Repaid		
Nath Bio-Genes (India) Ltd.	32,72,315	73,35,479
NathNirman Infra Pvt Ltd	24,78,204	-
Received		
Nath Bio-Genes (India) Ltd.	-	1,06,07,794
NathNirman Infra Pvt Ltd	-	-

Balances outstanding at the end of the year		
Tapovan International Trading Pvt. Ltd.	6,03,29,125	3,45,81,883
Loans and advances		
Borrowings		
Advances Received		
NathNirman Infra Pvt Ltd	-	24,78,204
Nath Bio Genes (I) Ltd	-	32,72,315
Key Management Personnel (KMP)		
Mr. Akash Kagliwal (Managing Director)		
Given / Repaid	4,22,496	3,51,236
Balances outstanding at the end of the year (Advance Received)	19,07,867	23,30,363
Salary	18,00,000	12,00,000
Vijay Saboo (CFO)		
Salary	27,42,400	14,81,430
Balances outstanding at the end of the year	-	-
Relatives of KMP Mr. Nandkishor Kagliwal		
Repaid	10,50,000	10,28,914
Received	10,50,000	10,28,914
Balance Outstanding end of the year	-	-
Relatives of KMP Mr. Gopalkrishna Ganediwal		
Repaid	65,00,000	11,34,051
Received	46,04,821	76,34,051
Balance Outstanding end of the year	46,04,821	65,00,000
Relatives of KMP Mrs. Leela Ganediwal		
Repaid	1,35,00,000	11,74,046
Received	-	1,46,74,046
Balance Outstanding end of the year	-	1,35,00,000
Deposit for office Premises		
Techindia Nirman Limited	30,00,000	30,00,000

Note (i) No amount pertaining to associates has been provided for as doubtful debt. Also no amount has been written off/back during the year.

(ii) Related parties are as identified by the Management and relied upon by the Auditors.

29.03 Earnings per Share

Particulars	Period ended 31 st March 2017 Rs	year ended 31 st March2016 Rs
Basic and Diluted earnings after exceptional item		
Net profit / (loss) for the year	(14,89,98,244)	(98,88,534)
Weighted Average Number of Equity Shares	90,00,000	90,00,000
Par value per share	10	10
Earnings per share - Basic and Diluted after exceptional item	(16.56)	(1.10)
Basic and Diluted earnings before exceptional item		
Net profit / (loss) for the year	6,00,91,756	(98,88,534)
Weighted Average Number of Equity Shares	90,00,000	90,00,000
Par value per share	10	10
Earnings per share - Basic and Diluted after exceptional item	6.68	(1.10)

29.04 As required by Notification no GSR 308(E) dated 30.03.2017 issued by Ministry of Corporate Affairs, the following details of Specified Bank Notes (SBN) held and transacted during the period from 08th November 2016 to 30th December 2016 are as under:-

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand on 08.11.2016	22,25,000	42,587	22,67,587
Add: Permitted Receipts	-	10,59,300	10,59,300
Less: Permitted Payments	-	6,14,313	6,14,313
Less: Amount Deposited in Bank	22,25,000	-	22,25,000
Closing cash in hand as on 30.12.2016	-	4,87,574	4,87,574

NOTE 30: PREVIOUS YEAR FIGURES:

The previous year figures have been reclassified, regrouped, rearranged and reworked to conform to current year's classification.

For and on behalf of the Board

Date: 30th May, 2017
Place: Aurangabad

Akash Kagliwal
Managing Director
DIN No 01691724

S S Agrawal
Director
DIN No 00119681

Vijay Saboo
Chief Finance Officer



FORM A

1	Name of the Company	Nath Pulp and Paper Mills Ltd.
2	Audited Financial Statements for the year ended	31 st March 2017
3	Type of Audit qualification	Nil
4	Frequency of qualification	NA
5	Draw attention to relevant notes in the annual financial statements and Management's response to the qualification in the Directors' Report	NA
6	Additional comments from the board and audit committee	NA
7	To be signed by :	
	CEO / Managing Director	Mr. AkashKagliwal Managing Director
	CFO	Mr. Vijay Saboo Vice President (Finance)
	Auditors of the Company	Gautam N Associates Chartered Accountants FRN103117W
	Audit Committee Chairman	Mr. Srirang S. Agrawal



NATH PULP AND PAPER MILLS LIMITED
Regd. Office: Nath House, Nath Road,
Itkheda, Paithan Road, Aurangabad -431005

PROXY FORM

42nd Annual General Meeting – 29th Sept., 2017

Regd. Folio No. _____

No. of Shares held _____ D. P. ID No. _____

Client ID No. _____

I/We _____ of _____

being a Member/Members of **Nath Pulp and Paper Mills Limited**. here by appoint _____ of _____ as my/our **proxy** to vote for me/us on my/our behalf at the **ANNUAL GENERAL MEETING** of the Company to be held on Friday, September 29th, 2017, and at any adjournment there of.

Signed on this _____ day of _____ 2017

Affix Revenue
Stamp
Signature

Note:

The proxy form duly completed should be deposited at the registered office of the Company not less than forty eight hours before the time fixed for holding this meeting.

NATH PULP AND PAPER MILLS LIMITED
Regd. Office: Nath House, Nath Road,
Itkheda, Paithan Road, Aurangabad -431005

ATTENDANCE SLIP

42nd Annual General Meeting – 29th September, 2017

I hereby record my presence at the **42nd ANNUAL GENERAL MEETING** of the Company held at **Nath House, Itkheda Paithan Road, Aurangabad -431005** on Friday, September 29th, 2017 at 11.00 A.M.

Full Name of the Member (in BLOCK LETTERS) _____

Regd. Folio No. _____ No. of Shares held _____ DP ID No. _____ Client ID No. _____

Full name of the Proxy (in BLOCK LETTERS) _____

Member's / Proxy's Signature _____



Book Post

To,

If undelivered return to

**Nath Pulp and Paper Mills Limited
Nath House, Nath Road,
Itkheda, Paithan Road,
Aurangabad- 431005 (Maharashtra)**