



**NATH PULP AND PAPER MILLS LIMITED**

**43<sup>RD</sup> ANNUAL REPORT**

**2017-18**

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

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**“Members are requested to register their email address with depository / Registrar & Share Transfer Agent to send communication through email and support Green initiative in the Corporate Governance”**

## NOTICE

Notice is hereby given that the 43<sup>rd</sup> 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 28<sup>th</sup> September 2018, Friday at 2 PM, to transact the following business:

### ORDINARY BUSINESS:-

#### ADOPTION OF FINANCIAL STATEMENTS:

To receive, consider, approve and adopt Directors' Report, Auditors' Report, Audited Balance Sheet as at 31st March 2018 and the Statement of Profit and Loss Account for the year ended on that date.

#### 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 holds office until the conclusion of the 44<sup>th</sup>Annual General Meeting needs ratification by members of the Company for financial year 2018-19. 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.”

#### RE-APPOINTMENT OF DIRECTOR

To appoint Mr. Omprakash Sharma as as Director of the Company, who retires by rotation and being eligible, seek re-appointment.

#### Notes:

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.

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. Members are requested to notify immediately any change in their address to the Company at its registered office.

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 43<sup>rd</sup>Annual General Meeting and Annual Report 2017-18 will also available on the Company's website [www.nathpaper.com](http://www.nathpaper.com) for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the normal business hours on working days till the date of the meeting. Even after registering e-communication, members are entitled to received such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [kgiyer@nathpaper.com](mailto:kgiyer@nathpaper.com)

Register of Members and Share Transfer Books of the Company shall remain closed from 25<sup>th</sup> September 2018 to 28<sup>th</sup> September 2018, both days inclusive.

The ministry of corporate affairs has taken a **“Green initiative in the Corporate Governance”** by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including the Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronics holding with the Depository to send all further communication through e-mail, to support Green initiative in the Corporate Governance.

#### VOTING THROUGH ELCETRONIC MEANS

In the compliance with provisions of clause 35B of the Listing Agreements read with Section 108 Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their votes for all the resolutions detailed in the Notice of 43<sup>rd</sup> Annual General Meeting scheduled to be held on 28.09.2018 at 2.00 PM. The Company has engaged the services of CDSL as the authorized agency to provide the e-voting as per instruction below:

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 25.09.2018 (10.00 a.m.) and ends on 27.09.2018(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 22.09.2018, 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](http://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](http://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:

<b>For Members holding shares in Demat Form and Physical Form</b>	
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](http://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](mailto: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](mailto: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](http://www.nathpaper.com) and also on the website of CDSL viz. [www.cdslindia.com](http://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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

**By order of the Board of Directors**

**Place: Aurangabad**

**Date: 31<sup>st</sup> Aug. 2018**

**Registered Office**

**Nath House, Nath Road,**

**Itkheda, Paithan Road,**

**Aurangabad -431005**

**Corporate Identification Number (CIN): L2100MH1975PLC018289**

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

NAME OF DIRECTOR	Mr. Omprakash Sharma
Date of Birth	20.09.1949
Date of Appointment	01.10.2014
Qualification	Graduate
Chairman/ Director of other companies	1. Tapovan Farms Private Limited 2. Agri-Tech (India) Limited 3. TechindiaNirman Ltd 4. Nath Bio-Genes (India) Ltd.
Chairman/ Member of Committees of other Companies	Nil
No of shares held in the Company	25

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors are pleased to present the 43<sup>rd</sup> Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended 31<sup>st</sup> March, 2018.

### FINANCIAL RESULT:

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

Particulars	Rs in Lacs	
	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Sales and other income	11401.19	9973.81
Profit/ (loss) before Depreciation	156.13	93.76
Depreciation	67.77	66.52
Net Profit/ loss for the year	88.35	27.24
Net Profit/(loss) before tax	88.35	27.24
Other Comprehensive Income	-	-
Deferred Tax (Income)/ Expenses	70.82	(573.68)
Exceptional Item	-	2090.90
Profit after Tax	17.53	(1489.98)

### PERFORMANCE:-

The performance of the company has been satisfactory despite various economic and industry challenges. Despite challenges like erratic demand 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 had developed higher GSM core boards and Thermal paper during previous year. Demand for both these grades is growing constantly.

With the significant contribution of above products and their acceptance in the domestic and overseas markets, Company's sales prospect are likely to increase and it will also add up to the export business of the company in the coming years.

Your Company has achieved turnover and other income of Rs 11401.19 lakh as compared to the previous year Rs 9973.81 lakh. Company has posted a Net Profit after tax of Rs. 17.53 lacs (Previous year Rs (1489.98) lacs).

### INDEBTNESS:

Your Company had crystallized dues of ARC Trust on 18<sup>th</sup> March 2016. Your Company has raised ICD of Rs. 2000 lacs and utilized the same to repay ARC trust dues. Outstanding of ARC Trust as on 31<sup>st</sup> March 2018 is Rs. 1524.48 Lakh. Your Company expects to pay the entire outstanding during the year 2018-19.

### DIVIDEND:

The Board of Directors of your company does not recommend any dividend for the year ended 31<sup>st</sup> March 2018.

### SUBSIDIARY COMPANY:

The Company does not have any subsidiary Company.

### PUBLIC DEPOSIT:

The Company has not accepted deposit from the public during the financial year under the review within the meaning of Section 73 of the Companies Act, 2013, read with companies (Acceptance of Deposits) Rules, 2014.

### EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in Form No MGT-9 shall form part of the Boards Report in **Annexure-I**.

### CORPORATE GOVERNANCE

A separate statement on Corporate Governance together with a certificate from the Auditors of Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 forms part of this report are given in **Annexure -II**

### 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**

During the financial year 2017-2018, the company has expenditure related to foreign currency. The rupee equivalent of that amount is given hereunder:-

Particulars	Rs. In Lacs
Total Expenditure	2166.62
Total Earnings	NIL

### DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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:

In the preparation of the annual accounts for the year ended March 31, 2018, the applicable Accounting Standards have been followed and there are no material departures from the same;

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<sup>ST</sup>, 2018 and of the Profit of the Company for that period;

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;

The Directors had prepared the annual accounts of the Company on a 'going concern' basis;

The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The Disclosures pertaining to remuneration as required Under Section 197(2) of the Companies Act, 2013 and with Rules 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part Directors Report, is given in **Annexure-IV**.

## **EVALUATION OF BOARD**

Pursuant to the provisions of the Companies Act, 2013 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees,. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

## **INTERNAL CONTROL SYSTEM**

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**

During the year, your Directors have constituted a Whistle Blower Policy / Vigil Mechanism Policy for the Company to report to the management instances of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct of the Company as per the provisions of Section 177 (9) and (10) of Companies Act, 2013. The Vigil Mechanism Policy report has been uploaded on the Website of the Company at [www.nathpaper.com](http://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](http://www.nathpaper.com)

## **RISK MANAGEMENT POLICY**

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility 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 2017-18. The Secretarial Audit Report in 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.

**AMALGAMATION:**

The Board of Directors of the Company have approved the Scheme of Arrangement and Amalgamation between Nath Pulp & Paper Mills Limited and Rama Pulp & Papers Limited and Nath Industrial Chemicals Limited and their respective shareholders as per the provisions of section 230 to 232 and other relevant provisions of the Companies Act ,2013 and its approval is under process.

**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 : 31<sup>st</sup> August, 2018**

**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, 2018 (Pursuant to Section 92(3) of the companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration Rules, 2014)

**REGISTRATION AND OTHER DETAILS**

I.	REGISTRATION AND OTHER DETAILS	
i)	CIN	L21100MH1975PLC018289
ii)	Registration Date	10 <sup>th</sup> 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	1 <sup>st</sup> Floor ,Bharat Tin Works Building Makwana Road Marol Andheri East Mumbai -400059 - email <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>

**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	17021	100

**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)

**SHARE HOLDING PATTERN:**

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 01/04/2017				No. of Shares at the end of the year As on 31/03/2018				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	<b>Promoter</b>									
(1)	Indian									
(a)	Individual HUF	-	771	771	0.01	-	771	771	0.01	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-
(c)	Bodies/ Corporate	6113858	54921	6168008	68.53	7299055	54344	7353399	81.70	-
(d)	FI/Banks	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(1)</b>	<b>6113858</b>	<b>54921</b>	<b>6168779</b>	<b>68.54</b>	<b>7299055</b>	<b>55115</b>	<b>7354170</b>	<b>81.71</b>	<b>-</b>
(2)	Foreign									
(a)	Individual (NRI)	-	-	-	-	-	-	-	-	-
(b)	Bodies/ Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	QFI	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	<b>7299055</b>	<b>55115</b>	<b>7354170</b>	<b>81.71</b>	<b>7299055</b>	<b>55115</b>	<b>7354170</b>	<b>81.71</b>	<b>-</b>

Sr	Category of Shareholders	No. of Shares at the beginning of the year As on 01/04/2017				No. of Shares at the end of the year As on 31/03/2018				% of change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(B)</b>	<b>Public Shareholding</b>									
(1)	Institutions	-	-	-	-	-	-	-	-	-
(a)	Mutual funds/UTI	-	3928	3928	0.04	-	3928	3928	0.04	-
(b)	FI/Banks	2103730	11785	2115515	23.51	770396	11785	782181	8.69	-
(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	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B) (1)</b>	<b>2103730</b>	<b>15713</b>	<b>2119443</b>	<b>23.55</b>	<b>770396</b>	<b>15713</b>	<b>786109</b>	<b>8.73</b>	<b>-</b>
(2)	Non Institutions	-	-	-	-	-	-	-	-	-
(a)	Bodies/ Corporate	30169	5992	36161	0.40	121938	5992	127930	1.42	-
(b)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding share capital up to Rs.2Lac	481024	119895	600919	6.68	596804	119180	715984	7.96	-
(ii)	Individual shareholders holding share capital in excess Rs.2 Lac	64268	-	64268	0.71	-	-	-	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any other(Specify)	-	-	-	-	-	-	-	-	-
(d 1)	NRI	2409	3904	6313	0.06	2250	3904	6154	0.07	-
(d 2)	Employee	-	2341	2341	0.03	0	2341	2341	0.03	-
(d 3)	Clearing Members	1496	-	1496	0.01	7312	-	7312	0.08	0.01
	<b>Sub Total (B) (2)</b>	<b>572604</b>	<b>139174</b>	<b>711778</b>	<b>7.91</b>	<b>728304</b>	<b>131417</b>	<b>859721</b>	<b>7.91</b>	<b>0.01</b>
	<b>Total Public Share Holding (B1 + B2)</b>	<b>2676334</b>	<b>154887</b>	<b>2831221</b>	<b>31.46</b>	<b>1498700</b>	<b>147130</b>	<b>1645830</b>	<b>18.29</b>	<b>-</b>
(C)	Shares held by Custodians for ADRs and GDRs	-	-	-	-	-	-	-	-	-
	<b>Sub Total ( C )</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand Total (A+B+C)</b>	<b>8790192</b>	<b>209808</b>	<b>9000000</b>	<b>100</b>	<b>8794442</b>	<b>205558</b>	<b>9000000</b>	<b>100</b>	<b>-</b>

**(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	54304	0.60	-	54304	.060	-	-
10.Prabha Farms Pvt. Ltd	29	0.00	-	29	0.00	-	-
11.Jeevan Farms Pvt. Ltd- A/C ARC Trust	35000	0.39	0.57	35000	0.39	-	-
12.Akash Farms Pvt. Ltd	2002027	22.24	32.42	2382027	22.24	-	-
13.Mayo Farms Pvt. Ltd	35000	0.39	-	-	-	-	-
14.Tapovan Farms Pvt. Ltd	40000	0.44	-	-	-	-	-
15.Ashu Farms Pvt Ltd	2000000	22.22	18.91	2880391	32.00	-	-
16.Tapovan Paper and Board Mills Ltd	2000000	22.22	-	2000000	22.22	-	-
<b>Total</b>	<b>6168779</b>	<b>68.54</b>	<b>51.90</b>	<b>7354170</b>	<b>81.71</b>	-	-

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

	No of Shares	% Holding
At the beginning of year	6168779	68.54
At the end of year	7354170	81.71

**(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 01.04.2017	% holding	No of shares held as on 31.03.2018	% holding
1	Industrial Credit & Investment Corporation of India Ltd.	8547	0.10	8547	0.09
2	ARC Trust Ltd. ( Trust Holdings)	2,000,000	22.22	666666	7.41
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	5010	0.06
6	Dipak Kanayalal Shah	20,611	0.23	-	-
7	SunitaLaxminarayan Attal	16,771	0.19	5287	0.06
8	Laxminarayan Attal	13,044	0.14	2643	0.03
9	DilipHundrajmalUkey	8,483	0.09	8778	0.10
10	Maya RameshwarUkey	8,275	0.09	3925	0.04
	Rajiv Kumar Maheshwari	-	-	26259	0.29

**(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

**I. INDEBTNESS:**

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

Rs. In Lakh

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtness at the Beginning of the financial Year</b>				
i)Principal Amount	2725.62	-	-	2725.62
ii)Interest due but not paid	39.00	-	-	39.00
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2764.62	-	-	2764.62
<b>Changes during financial year</b>				
Addition	506.95	-	-	506.95
(Reduction)	(1707.63)	-	-	(1707.63)
Net Change	(1200.67)	-	-	(1200.67)
<b>Indebtness at the end of the Financial year</b>				
i)Principal Amount	1524.48	-	-	1524.48
ii)Interest due but not paid	39.47	-	-	39.47
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1563.95	-	-	1563.95

**I. REMUNERATION TO DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director /Whole Time Director and /or Manager**

Sr. No.	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	25,20,000
	Total A	25,20,000

**B. Remuneration to other directors**

Sr.No.	Particulars of Remuneration	Amount Rs
1	ShrirangShrikishan Agarwal Non executive Independent Director Fee for attending board , committee meetings	35,000
	Total -1	35,000
2	Om Prakash Sharma Other Non-executive Director Fee for attending board , committee meetings	20,000
	Total -2	20,000
3	Mrs. Ashu Jain Other Non-executive women Director Fee for attending board , committee meetings	20,000
	Total -3	20,000
4	Pramod Kumar Gupta Other Non executive Nominee Director-ARC Trust Fee for attending board meetings	5,000
	Total-4	5,000
	Grand Total 1 to 4	80,000

**I. Remuneration to Key Managerial Personnel other than MD/Manager /WTD**

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

**I. 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 not only adheres to the prescribed corporate governance practices in terms of the regulatory requirements but is also committed to the sound corporate governance principles and practices. The Company believes that corporate governance is more about creating organizational excellence leading to increased satisfaction of all stakeholders.

**2. Board of Directors and Board Meetings:**

Company's Board of Directors as at 31<sup>st</sup> March, 2018 comprises Six Directors three of them are independent and non-executive. The Composition is as under:

Name	Category	No of outside Directorship held		Committee Member ship	Committee Chairman ship
		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. Shirang Agrawal	Non-Executive & Independent	7	2	2	-

**Meeting and Attendance record of each Director**

During the year ended 31<sup>st</sup> March 2018, Seven meetings of the Board were held on the following date:

- 1) 30<sup>th</sup> May 2017 2) 31<sup>st</sup> July 2017 3) 30<sup>th</sup> Aug 2017 4) 30<sup>th</sup> Oct 2017 5) 14<sup>th</sup> Nov 2017 6) 31<sup>st</sup> Jan 2018  
7) 22<sup>nd</sup> Mar 2018

The attendance record of the Directors at the Board Meetings held during the year ended 31st March, 2018 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	7	Yes
Mrs. Ashu Jain	7	Yes
Mr. Omprakash Sharma	4	Yes
Mr. Pramod Kumar Gupta	1	No
Mr. Shirang Agrawal	7	Yes

**3. Audit Committee**

The Audit Committee met five times during the year ended 31<sup>st</sup> March 2018 on

- 1) 30<sup>th</sup> May 2017 2) 31<sup>st</sup> Jul 2017 3) 30<sup>th</sup> Oct 2017 4) 14<sup>th</sup> Nov-2017 5) 31<sup>st</sup> Jan 2018

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. Shirang Agrawal	5

Two members of the Committee are non-executive and independent. He has adequate knowledge of Accounts, Audit, and Finance. Mr. Shirang 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.

#### 4. 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-Executivewomen Director	20,000
Mr. Om Prakash Sharma	Non-Executive Independent	20,000
Mr. S.S.Agarwal	Non-Executive Independent	35,000
Mr. Pramod Kumar Gupta	Non-Executive Nominee Director	5,000

#### Remuneration to Managing Director

The Managing Director's remuneration 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 remuneration paid to Managing Director of the Company during the financial year 2017-2018

Director's Name	Salary Rs
Mr. Akash Kagliwal	2520000

#### 5. Shareholders / Investors Grievance Committee

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

1) 30<sup>th</sup> May, 2017 2) 31<sup>st</sup> Jul, 2017 3) 30<sup>th</sup> Oct, 2017 4) 14<sup>th</sup> Nov 2017 5) 31<sup>st</sup> Jan 2018

During the year ended 31st March, 2018. The Constitution of the committee as on 31.03.2018 is given below:

Name	Status	Meeting attended
Mr.AkashKagliwal	Executive	5
Mr. ShrirangAgrawal	Non-executive	5

#### 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, 2018.

#### Compliance officer

#### Mr. Bhushan Puranik-Company Secretary

Nath Pulp & Paper Mills Limited  
Nath House  
Paithan Road –Aurangabad-Maharashtra-431005  
Tel Nos: 0240-2376314, 2376315 Fax: 0240-2376762

**Mr. K.G. Iyer—Authorised Representative**

Address: Nath House, Paithan Road, Aurangabad -431005

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

No of Shareholders' Complaints received during the year	3
No. of complaints solved to the satisfaction of the Shareholders	3
No. of pending complaints	Nil

**6. Annual General Meetings**

Meeting	Day and Date	Time	Place
42 <sup>nd</sup> Annual General Meeting 2016-17	Friday 29 <sup>th</sup> Sep 2017	11 AM	Nath House, Nath Road, Aurangabad
41 <sup>st</sup> Annual General Meeting 2015-16	Friday 30 <sup>th</sup> Sep 2016	11 AM	Nath House, Nath Road, Aurangabad
40 <sup>th</sup> Annual General Meeting 2014-15	Wednesday 30 <sup>th</sup> Sep 2015	11 AM	Nath House, Nath Road, Aurangabad

During the year 2017-18 no resolution has been passed through Postal Ballot. Presently there is no proposal to pass any Special Resolution by postal ballot.

**7. 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.

**8. 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

**9. General Shareholders Information****Annual General Meeting**

Date and time	28 <sup>th</sup> September, 2018 At 02.00 P.M.
Venue	Nath House, Paithan Road Aurangabad
Pin	431005
Financial Year	2017-2018

**Book Closure**

The register of the shareholders of the Company will remain closed on 25<sup>nd</sup> Sept 2018 to 28<sup>th</sup> Sept 2018, both days inclusive

**Financial Calendar (tentative)**

Financial reporting for the quarter ending 30th June ,2018	by July 2018
Financial reporting for the quarter ending 30th September , 2018	by October 2018
Financial Reporting for the quarter ending 31st December , 2018	by January 2019
Financial reporting for the quarter ending 31st March 2019	by May 2019
Annual General meeting for the year ending 31 <sup>st</sup> March 2018	by Sept 2019

**Listing on Stock Exchanges and ISIN No.**

The Company's equity now stands as 9,000,000 equity shares, which are presently listed on Bombay Stock Exchange Ltd. The Company has paid annual listing fees of Bombay Stock Exchange for the financial year 2017-18. Scrip code 502407 BSE ISIN No. INE776A01017



## Stock Market Price Data

Month	High Price	Low Price	Month	High	Low
Apr-2017	42.00	29.50	Oct-2017	42.50	36.00
May-2017	40.95	34.45	Nov-2017	45.90	38.25
Jun-2017	41.95	37.55	Dec-2017	55.10	37.45
Jul-2017	44.50	33.20	Jan-2018	50.75	38.00
Aug-2017	38.05	31.00	Feb-2018	50.75	39.60
Sep-2017	41.45	31.05	Mar-2018	44.80	34.05

Source-BSE web site: [www.bseindia.com](http://www.bseindia.com)

## Category of Shareholders as on 31.03.2018

Category	No. of Shares (Issued equity)	Percentage
Promoters	7354170	81.71
Indian Financial Institutions / Banks / Mutual Funds	786109	8.73
Foreign Institutional Investors /NRIS'	6154	0.07
Others	853567	9.49
<b>Total</b>	<b>9000000</b>	<b>100.00</b>

## 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, provided all the documents are valid and complete in all respect. 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 31.03.2018 is as follows:

Shares in Demat mode with NSDL: 8534633  
Shares in Demat mode with CDSL: 263316  
Shares in physical mode : 202051

## Address for Investor Correspondence

<b>Registered Office:</b> Nath Pulp & Paper Mills Limited Nath House Paithan Road Aurangabad Maharashtra-431003	<b>Plant Location:</b> Nath Pulp & Paper Mills Limited Nath Nagar (North) At,Post: Wahegaon Taluka-Paithan Dist: Aurangaabad-Maharashtra
<b>Registrar and Share Transfer Agent:</b> Big Share Services Pvt. Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Building Opp.Vasant Oasis, Makwana Road, Marol, Andheri (E) Mumbai-Maharashtra-400059	<b>DEMAT ISIN Number in NSDL &amp; CDSL for Equity Shares:</b> Scrip code 502407 BSE ISIN No. INE776A01017

## 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.

## CEO and CFO Certification

The Whole-time 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 Clause 49 of the Listing Agreement. The annual certificate given by the Whole-time Director and the Chief Financial Officer is attached to this Report.

## Compliance with Code of Conduct

As stipulated under the provisions of sub-clause (II) E(2) of Clause 49 of the Listing Agreement with stock exchanges, 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, 2018.

For and on behalf of the Board

Place: Aurangabad  
Date: 31<sup>st</sup> August 2018

Akash Kagliwal  
Managing Director  
DIN No: 01691724

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**The Members**  
**Nath Pulp and Paper Mills Limited**  
**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 31<sup>st</sup> March, 2018 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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: 30/05/2018**

**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**

**(Issued in accordance with the provisions of Clause 49 of the Listing Agreement)**

I, Akash Kagliwal, Managing Director of Nath Pulp & Paper Mills Limited, to the best of our knowledge and belief, certify that, we have reviewed the financial statements, read with cash flow statement of Nath Pulp & Paper Mills Limited, for the year ended 31<sup>st</sup> March 2018 and that to the best of our knowledge and belief, we state that:

These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading. 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.

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.

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.

We have indicated to the auditors and the Audit Committee:

That there are no significant changes in internal control over the financial reporting during the year  
Significant changes in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and

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: 31<sup>st</sup> August, 2018**

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

**DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

In accordance with Sub Clause I (D) of Clause 49 of the Listing Agreement with the Stock Exchanges, I Akash Kagliwal, Managing Director of the Company hereby confirm that the Board of Members and the senior management of the Company have affirmed compliance with the Company's Code of Conduct for the financial Year ended 31<sup>st</sup> March, 2018.

**For an on behalf of the Board of Directors**

**Place: Aurangabad  
Dated 31<sup>st</sup> August, 2018**

**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 has a cumulative capacity of 15 million tons per annum and a turnover of Rs. 50,000 crores, thereby accounting for a 3% share of the global output. There are 700-800 paper mills (organized & unorganized sector) in the Country based on wood, agro residue and waste paper as basic raw material. The Indian Paper Industry provides direct employment to more than 5 Lac people and indirect employment to 15 lacs people.

Packaging and Paper Board broadly catering to the tertiary and flexible packaging needs of industries such as Textiles, FMCG, Pharmaceuticals. The packaging paper and paper board segment accounts for a 46% share of the domestic paper industry. Growth in this sector has been fueled by increasing urbanization and deepening penetration of organized retailing. Another factor that has provided a substantial stimulus to the packaging machinery industry is the rapid growth of exports, which requires superior packaging standards for international markets.

Despite digitization becoming a ubiquitous phenomenon around the world, the paper industry in India has seen demand acceleration on the back of growing GDP, increasing literacy and enhanced disposable incomes. The Govt. of India's decision to establish rules and regulation to control the degradation of forests has caused the focus of key sectoral players to shift in favour of eco-friendly products and technologies.

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' wellbeing 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 Rs11401.18 Lacs. Net profit after adjustment of deferred tax (Income)/Expenses and Exceptional Items stood at Rs17.54 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.

**For and on behalf of the Board**

**Place: Aurangabad  
Date: 31<sup>st</sup> August, 2018**

**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 01.04.2017 to 31.03.2018)  
[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, minute books, 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 31.03.2018, 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 period ended on 31.03.2018 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 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; **Applicable**
    - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **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 client; **M/s Bigshare Services Pvt. Ltd., E-2 & 3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri(E), Mumbai - 400 072 is the Authorised 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; **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 complied with the requirements under the SEBI (Listing Obligations and Disclosures Regulations) 2015; and
- k. The Memorandum and Articles of Association.

**Other Laws applicable to the Company;**

- i. The Securitization 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. Goods and Services Tax Act 2017

**2. I further report that the Company has, in my opinion, complied with the provisions of Companies Act, 2013, Notification, Circulation 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 29<sup>th</sup> September, 2017;
- 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 the 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 The form of Balance Sheet is as per schedule III of the Companies Act 2013;
- 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 and for 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; and There was no prosecution 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 has been that of a Listed Public Company.

**5. I further report that** Compliance of 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 Auditor and other designated professionals.

**6. I further report that** based on the information received and records maintained there are adequate systems and processes 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 complied with the provisions of the Act, 2013 and rules made there under SEBI Regulations, Guidelines, and Standards etc.**

**For Girish Bhandare & Associates  
Company Secretaries**

**Girish Bhandare  
Proprietor  
M. No. 9345 & CP 11092  
Place: Aurangabad  
Date: 12.05.2018**



**“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 test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices 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. Whenever required, i have obtained Management Representation on compliance of laws, rules and regulations and happening 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 is 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. 9345 & CP 11092  
Place: Aurangabad  
Date: 12.05.2018**

## Independent Auditor's Report

To,  
The Members of  
Nath Pulp and Paper Mills Limited  
Aurangabad

### Report on the Financial Statements

1. We have audited the accompanying financial statements of Nath Pulp and Paper Mills Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and rules made there-under.
5. We conducted our audit of the Ind AS financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 evaluating the appropriateness of 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 Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

### Basis for qualified opinion

8. The Company has not revalued its future liability towards Sales tax deferral at its fair value in compliance with Ind AS - 113. Refer note no 14.

Had this observation made by us been considered the Profit for the year would have been Rs 14,02,21,592 (as against reported Profit figure of Rs. 17,53,941), Non- Current Financial Liabilities - Borrowings would have been Rs. 13,18,73,222 (as against reported figure of Rs.27,03,40,873).

9. We are unable to express an opinion regarding reversal of Deferred Tax Assets recognized in the financial statements to the extent of Rs.18,88,25,520, as there is no virtual certainty anticipated in foreseeable future, as contemplated in Accounting Standard (AS) 22 of "Account for Taxes on Income" issued by Companies (Accounting Standard) Rules, 2006.

### Qualified Opinion

10. 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* the aforesaid Ind AS 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 2018 and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Emphasis of Matter

11. The financial information of the company for the year ended 31<sup>st</sup> March 2017, and the transition date opening balance sheet as at 1<sup>st</sup> April 2016 included in these Ind AS Financial Statements, are based on the previously issued statutory financial statements for the years ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended), of which statutory financial statements for the year ended 31<sup>st</sup> March 2016 were audited by previous auditors, on which they expressed modified opinion dated 30<sup>th</sup> May 2016. We have also expressed our modified opinion on the Statutory financial statements for the financial year ended 31<sup>st</sup> March 2017, dated 30<sup>th</sup> May 2017. The adjustments to those financial statements for the differences in accounting principles adopted by the company on transition to the Ind AS have been audited by us.
12. We draw attention to Note No 33 to the financial statements which describes that Trade Payable, Trade Receivable, Unsecured Loans, Deposits, Loans and Advances (Including inter party transfer) are subject to confirmation and reconciliation.

Our opinion is not qualified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

13. 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, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A", a statement on the matters specified in paragraph 3 and 4 of the Order.
14. 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 purpose 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 Profit and Loss (including other comprehensive income), the Cash Flow Statement and statement of change in equity dealt with by this report are in agreement with the books of account;
  - d) *Except for the matter described in the Basis for Qualified Opinion paragraph* in our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018, 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 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 Auditors 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 explanation given to us:
    - i) The company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2018 on its financial position in its financial statements-Refer Note No. 31 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**

**FRN 103117W**

**Gautam Nandawat**

**PartnerMembership No 032742**

Place: Aurangabad

Date: 30.05.2018

## ANNEXURE "A" TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2018, we report that:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The company has regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its business.
  - (c) According to the information and explanations given to us, and on the basis of our examination of the record of the company, the title deeds of the immovable properties are held in the name of the company.
2. The inventory has been physically verified during the year by the management. The discrepancies noticed on verification between the physical stocks and book records were not material, which have been properly dealt with in the books of account.
3. a) As per the information and explanations given to us, the Company has granted non-interest bearing unsecured loans to one company covered in the register maintained under section 189 of the Act. The terms and conditions of the grant of such loans are, prima facie, not prejudicial to the interest of the company looking to long term business exigencies/purposes except non-charging of interest.
  - b) No formal schedule of repayment has been made for repayment of the principal amount and as such in absence of such schedule, we are unable to comment if the same are being repaid timely.
  - c) There are no overdue amounts in respect of the loans granted to a body corporate listed in the register maintained under section 189 of the Act.
4. The company has not granted loan to any party covered under section 185 and 186 of the Act as such clause (iv) is not applicable to the company.
5. 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.
6. 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 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.
7. (a) The company is regular in depositing undisputed statutory dues including employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess 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	Name of the Statute	Nature of the dues	Amount (Rs)	Remarks
1.	Income Tax Act, 1961	Tax Deduction at Sources	9567	Since Paid
2.	Income Tax Act, 1961	Tax Collection at Sources	13271	Since Paid
3	Finance Act, 1994	Service Tax	236187	Since paid

- (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 Rs	Period to which the Amount Relates
Sales Tax	Joint Commissioner of Sales Tax (Appeal) Aurangabad.	7,66,900 14,69,710 21,97,260	2006-2007 2007-2008 2011-2012
Excise Duty	Customs, Excise & Service Tax Appellate Tribunal Mumbai.	32,44,508	2006-2007
Excise Duty	Commissioner of Central Excise (Appeal) Nagpur	8,836,659	2015-2016
Excise Duty	Commissioner of Central Excise (Appeal) Nagpur	1,598,430	July 2012- March 2015
Excise Duty	Commissioner of Central Excise Aurangabad	7,436,435	2010-2011 to 2014-2015

8. 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 Interest dues to the financial institutions for the period of February 2012 to June 2017. Refer Note no. 18.
9. The company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Further, the term loans were applied for the purpose for which those are raised.
10. No fraud on or by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. 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.
12. The company is not a Nidhi Company as such provisions of the clause (xii) are not applicable to the company.
13. All transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable, and the details have been disclosed in the Ind AS financial statements etc., as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. 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**

**Gautam Nandawat**  
**Partner**  
**Membership No 032742**  
Place: Aurangabad  
Date: 30.05.2018

#### **ANNEXURE “B” TO THE AUDITORS' REPORT**

##### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

1. We have audited the internal financial controls over financial reporting of **Nath Pulp and Paper Mills Limited** (“the Company”) as of 31<sup>st</sup> March, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

##### **Management’s Responsibility for Internal Financial Controls**

2. 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 controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

##### **Auditors Responsibility**

3. 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”) issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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.

4. 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 Ind AS financial statements, whether due to fraud or error.
5. 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**

6. 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. 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 any 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**

8. In our opinion, to the best of our information and according to the explanations 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 31<sup>st</sup> March, 2018, 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  
Date: 30.05.2018

**Balance Sheet As at March, 31<sup>st</sup> 2018**

Particulars	Note No	As at 31 <sup>st</sup> March, 2018 (Rupees)	As at 31 <sup>st</sup> March, 2017 (Rupees)	As at 31 <sup>st</sup> March, 2016 (Rupees)
<b>Assets</b>				
<b>i) Non- Current Assets</b>				
a) Property, Plant and Equipment	3	515880191	519620108	515598595
b) Others	4	43876101	40403342	40668537
c) Deferred Tax Assets (Net)	5	188825520	195907053	138539331
d) Other Non-current Asset	6	11802897	11802897	11802897
		<b>760384709</b>	<b>767733400</b>	<b>706609360</b>
<b>ii) Current Assets</b>				
a) Inventories	7	124232701	76840464	85220440
b) Financial Assets				
i) Trade Receivable	8	149258841	136930879	111858485
ii) Cash and Cash Equivalents	9	8095859	2519713	5503766
iii) Others	10	111875282	55249162	30802931
iv) Other Current Assets	11	5191305	3542538	4397776
		<b>398653988</b>	<b>275082755</b>	<b>237783398</b>
<b>Total Assets</b>		<b>1159038697</b>	<b>1042816155</b>	<b>944392758</b>
<b>Equity and Liabilities</b>				
<b>Equity</b>				
a) Equity Share Capital	12	90000000	90000000	90000000
b) Other Equity	13	174691321	172937380	321976363
		<b>264691321</b>	<b>262937380</b>	<b>411976363</b>
<b>Liabilities</b>				
<b>I) Non-current Liabilities</b>				
<b>a) Financial Liabilities</b>				
i) Borrowings	14	270340873	225516846	180776081
ii) Provisions	15	21459319	24666239	25271756
		<b>291800192</b>	<b>250183085</b>	<b>206047837</b>
<b>II) Current Liabilities</b>				
<b>a) Financial Liabilities</b>				
i) Borrowings	16	397686976	330466396	142991140
ii) Trade Payables	17	169106854	159399311	147753377
b) Current Liabilities	18	28871423	33050002	30152022
c) Provisions	19	6881931	6779981	5472019
		<b>602547184</b>	<b>529695690</b>	<b>326368558</b>
<b>Total Equity and Liabilities</b>		<b>1159038697</b>	<b>1042816155</b>	<b>944392758</b>

The accompanying Notes are an integral part of these Financial Statements.

In terms of our report of even date.

**For Gautam N Associates**  
FRN No 103117W

**For and on behalf of the Board of Directors**

**Gautam Nandawat**  
Partner  
M.No. 032742  
Place Aurangabad  
Date: 30.05.2018

**Akash Kagiwal**  
Managing Director  
DIN No 01691724

**Ashu Jain**  
Director  
DIN 00243310

**Vijay Saboo**  
Chief Financial Officer

**Bhushan Puranik**  
Company Secretary

**Statement of Profit and Loss for the year ended March 31<sup>st</sup>, 2018**

Particulars	Note No	Year Ended 31 <sup>st</sup> March, 2018 (Rupees)	Year Ended 31 <sup>st</sup> March, 2017 (Rupees)
Revenue from Operations	20	1,10,48,51,982	98,26,94,361
Other Income	21	3,52,66,690	1,46,86,412
<b>Total Revenue</b>		<b>1,14,01,18,672</b>	<b>99,73,80,773</b>
<b>Expenses</b>			
Cost of Materials Consumed	22	77,93,61,580	67,23,16,447
Changes in Inventories of Finished Goods and Work-in- Progress	23	(1,39,10,962)	19,34,191
Employee Benefits Expense	24	5,50,97,448	5,95,48,140
Finance Costs	25	6,17,27,643	21,46,82,700
Depreciation Expense	26	67,77,315	66,52,080
Other Expenses	27	24,22,30,174	24,86,13,181
<b>Total Expenses</b>		<b>1,13,12,83,197</b>	<b>1,20,37,46,739</b>
<b>Profit before tax</b>		<b>88,35,474</b>	<b>(20,63,65,966)</b>
<b>Tax Expense</b>			
Income Tax			
- Current Year		-	-
- Earlier Years		-	-
Deferred Tax Charge		70,81,533	(5,73,67,722)
<b>Profit for the Year</b>		<b>17,53,941</b>	<b>(14,89,98,244)</b>
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to Profit and Loss			
(a) Deferred Sales Tax Fair Value		-	-
ii) Income tax relating to items that will not be reclassified to Profit & Loss		-	-
B. (i) Items that will be reclassified to Profit and Loss		-	-
(ii) Income tax relating to items that will be reclassified to Profit & Loss		-	-
		-	-
<b>Total Comprehensive Income</b>		<b>17,53,941</b>	<b>(14,89,98,244)</b>
Earnings Per Equity Share [Nominal Value Per Share: Rs. 10 (Previous Year: Rs. 10)]		0.19	(16.56)
Basic and Diluted		0.19	(16.56)
The accompanying Notes are an integral part of these Financial Statements			

In terms of our report of even date.

**For Gautam N Associates**  
FRN No 103117W

**Gautam Nandawat**  
Partner  
M.No. 032742  
Place Aurangabad  
Date: 30.05.2018

**For and on behalf of the Board of Directors**

**Akash Kagliwal**  
Managing Director  
DIN No 01691724

**Vijay Saboo**  
Chief Financial Officer

**Ashu Jain**  
Director  
DIN 00243310

**Bhushan Puranik**  
Company Secretary



**Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018**

Particulars	For the Year Ended 31 <sup>st</sup> March, 2018		For the Year Ended 31 <sup>st</sup> March, 2017	
<b>A) Cash Flow from operating activities</b>				
<b>Net Profit / (Loss) before Tax</b>		8835474		(206365966)
<b>Adjustment For</b>				
Depreciation and Amortisation	6777315		6652080	
Depreciation of Earlier Year	-		(5749939)	
Exceptional Item (Interest ARC Trust)	-		209090000	
Finance Cost	61727643		5592700	
Interest Income	(663027)		(2593594)	
Liabilities/ Provision no longer written back	(3829795)		(2830443)	
Provision for doubtful trade and other receivable	3519370		2924595	
Other Non cash Charges (Gratuity, Leave& Bonus)	(3359677)	64171829	-	213085399
<b>Operating Profit / (Loss) before working capital change</b>		<b>73007303</b>		<b>6719433</b>
<b>Change in working capital</b>				
<b>Adjustment for (Increase)/ decrease In operating assets:</b>				
Inventories	(47392237)		8379976	
Trade Receivable	(15847332)		(27996989)	
Short Term Loans & Advances	(56626120)		4516270	
Other Current Assets	(1648767)		-	
Long Term Loans and Advances	(3472759)		(27842068)	
<b>Adjustment for Increase / (decrease) in operating liabilities</b>				
Trade Payable	13537338		11025221	
Other Current Liabilities	(4178579)		6349137	
Short-term Provisions	254707		1307962	
Long-term Provisions	-	(115373750)	(605517)	(24866008)
<b>Net cash flow from / (used in) Operating activities (A)</b>		<b>(42366446)</b>		<b>(18146575)</b>
<b>B) Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(3037398)		(4964393)	
<b>Interest Received</b>				
Other	663027	(2374371)	2593594	(2370799)
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>(2374371)</b>		<b>(2370799)</b>
<b>C. Cash flow from financing activities</b>				
Proceed from long-term borrowings	44824027		40740765	
Proceed from short-term borrowings	184772293		-	
Repayment of other short-term borrowings	(117551713)		(17614744)	
Finance cost	(61727643)	50316964	(5592700)	17533321
<b>Net cash flow from / (used in) financing activities (c)</b>		<b>50316964</b>		<b>17533321</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		<b>5576147</b>		<b>(2984053)</b>
Cash and cash equivalents at the beginning of the year		2519713		5503766
<b>Cash and cash equivalents at the end of the year</b>		<b>8095859</b>		<b>2519713</b>
Comprises: Cash and Cash Equivalents				
Cash	124787		286979	
Balance with banks in current accounts	7971072	<b>8095859</b>	2232734	<b>2519713</b>

Notes:

- The above Statement of Cash Flows has been prepared under "Indirect Method" set out in Ind AS - 7 "Statement of Cash Flows"
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

**For Gautam N Associates**  
FRN No 103117W

**For and on behalf of the Board of Directors**

**Gautam Nandawat**  
Partner  
M.No. 032742  
Place Aurangabad  
Date: 30.05.2018

**Akash Kagliwal**  
Managing Director  
DIN No 01691724

**Ashu Jain**  
Director  
DIN 00243310

**Vijay Saboo**  
Chief Financial Officer

**Bhushan Puranik**  
Company Secretary

## Statement of changes in Equity

### A. Equity

Particulars	As at March, 31 <sup>st</sup> 2018	As at March, 31 <sup>st</sup> 2017	As at March, 31 <sup>st</sup> 2016
Balance of the beginning of the year	90000000	90000000	90000000
Share Issued under QIP	-	-	-
Shares bought back during the year	-	-	-
Balance at the end of the year	90000000	90000000	90000000

### Statement of Changes in Other Equity for financial year ended on March 31st, 2018

Particulars	Reserves and Surplus		
	Revaluation Reserve	Retained earning	Total
Balance at the beginning of the year 01.04.2017	-	172937380	172937380
Changes in the accounting policies of prior period errors	-	-	-
Restated balance at the beginning of the year	-	172937380	172937380
Additions during the Year	-	1753941	1753941
Total Comprehensive Income for the year	-	174691321	174691321
Dividends	-	-	-
Transfer to Depreciation	-	-	-
<b>Balance at the end of the reporting period 31.03.2018</b>	-	<b>174691321</b>	<b>174691321</b>

### Statement of Changes in Other Equity for financial year ended on March 31st, 2017

Particulars	Reserves and Surplus		
	Revaluation Reserve	Retained earning	Total
Balance at the beginning of the year 01.04.2016	41399720	(110683786)	(69284066)
Changes in the accounting policies of prior period errors	(41399720)	432660149	391260429
Restated balance at the beginning of the year	-	321976363	321976363
Additions during the Year	63766	(148998244)	(149934478)
Total Comprehensive Income for the year	63766	172978119	173041885
Dividends	(40739)	40739	-
Transfer to Depreciation	104505	-	104505
<b>Balance at the end of the reporting period 31.03.2017</b>	-	<b>172937380</b>	<b>172937380</b>

In terms of our report of even date.

**For Gautam N Associates**  
FRN No 103117W

**Gautam Nandawat**  
Partner  
M.No. 032742  
Place Aurangabad  
Date: 30.05.2018

**For and on behalf of the Board of Directors**

**Akash Kagliwal**  
Managing Director  
DIN No 01691724

**Ashu Jain**  
Director  
DIN 00243310

**Vijay Saboo**  
Chief Financial Officer

**Bhushan Puranik**  
Company Secretary

**IND AS Reconciliation  
Balance Sheet**

(Amount in Rupees)

Particulars	Previous GAAP As at March 31 2017	Transition Effect As at March 31 2017	IND As As at March 31 2017	Previous GAAP As at March 31 2016	Transition Effect As at March 31 2016	IND As As at March 31 2016
<b>Assets</b>						
<b>I) Non-Current Assets</b>						
Property, Plant and Equipments	509620108	10000000	519620108	124338166	391260428	515598595
b) Capital Work in Progress						
c) Financial Assets						
(i) Trade Receivables						
(ii) Loans						
(iv) Others	40403342	-	40403342	40668537	-	40668537
d) Deferred Tax Assets (Net)	195907053	-	195907053	138539331	-	138539331
e) Other Non-current Assets	11802897	-	11802897	11802897	-	11802897
	757733400	10000000	767733400	315348931	391260428	706609360
<b>II) Current Assets</b>						
a) Inventories	76840464	-	76840464	85220440	-	85220440
b) Financial Assets						
(i) Trade Receivables	136930879	-	136930879	111858485	-	111858485
(ii) Cash and cash equivalents	2519713	-	2519713	4102348	1401418	5503766
(iv) Bank balances other than (iii) above	-	-	-	-	-	-
(v) Loans	-	-	-	-	-	-
(vi) Others	55249162	-	55249162	30802931	-	30802931
c) Current Tax Assets (Net)	-	-	-	-	-	-
d) Other current assets	3542538	-	3542538	4397776	-	4397776
	275082756	-	275082755	236381980	1401418	237783398
<b>Total Assets</b>	<b>1032816156</b>	<b>10000000</b>	<b>1042816155</b>	<b>551730911</b>	<b>392661846</b>	<b>944392758</b>
<b>Equity and Liabilities</b>						
<b>Equity</b>						
a) Equity Share Capital	90000000	-	90000000	90000000	-	90000000
a) Equity Share Capital	162937380	10000000	172937380	(69284065)	391260428	321976363
	252937380	10000000	262937380	20715935	391260428	411976363
<b>Liabilities</b>						
<b>I) Non-Current Liabilities</b>						
<b>a) Financial Liabilities</b>						
(i) Borrowings	225516846	-	225516846	180776081	-	180776081
(ii) Trade Payables						
(iii) Other financial liabilities						
b) Provisions	24666239	-	24666239	25271756	-	25271756
c) Deferred Tax liabilities (Net)						
d) Other non-current liabilities						
	250183085	-	250183085	206047837	-	206047837
<b>II) Current Liabilities</b>						
<b>a) Financial Liabilities</b>						
(i) Borrowings	330466396	-	330466396	142991140	-	142991140
(ii) Trade Payables	159399311	-	159399311	146351959	1401418	147753377
(iii) Other financial liabilities						
b) Other current liabilities	33050002	-	33050002	30152022	-	30152022
c) Provisions	6779981	-	6779981	5472019	-	5472019
d) Current Tax Liabilities (Net)						
	529695690	-	529695690	324967140	1401418	326368558
<b>Total Equity and Liabilities</b>	<b>1032816155</b>	<b>10000000</b>	<b>1042816155</b>	<b>551730912</b>	<b>392661846</b>	<b>944392758</b>

**Note on reconciliation**

- The Company has elected to measure its land and plant & machineries at fair value at the date of transition to Ind AS. Gain on such fair valuation has been recognized in the opening retained earnings as at April 01, 2016. The Company has depreciated the fair value of plant and machinery over the technically assessed useful lives of the assets which is reflected in the Statement of Profit and Loss
- The company has written off revaluation reserve in respect of Land, Building, Plant & Machinery in view of the recognition of fair value of the assets as at April 1st, 2016 and considered as deemed cost.

**IND AS Reconciliation  
Statement of Profit and Loss**

<b>Particulars</b>	<b>Previous GAAP As at March 31 2017</b>	<b>Transition Effect As at March 31 2017</b>	<b>IND As As at March 31 2017</b>
Revenue from Operations (Gross)	982694361	-	982694361
Other Income	14686412	-	14686412
<b>Total Revenue</b>	<b>997380773</b>	<b>-</b>	<b>997380773</b>
<b>Expenses</b>			
Purchase of stock in trade			
Cost of Materials Consumed	672316447	-	672316447
Changes in Inventories of Finished Goods and Work-in-Progress	1934191	-	1934191
Employee Benefits Expense	59548140	-	59548140
Finance Costs	5592700	209090000	214682700
Depreciation Expense	6652080	-	6652080
Other Expenses	247765809	847372	248613181
<b>Total Expenses</b>	<b>993809367</b>	<b>20937372</b>	<b>1203746739</b>
<b>Profit Before Exceptional items and Tax</b>	<b>3571406</b>	<b>(209937372)</b>	<b>(206365966)</b>
Exceptional Items	209090000	(209090000)	-
Profit before exceptional items	205518594	847372	206365966
Prior Period Items	(847372)	847372	-
<b>Profit before tax</b>	<b>206365966</b>	<b>-</b>	<b>206365966</b>
<b>Tax Expense</b>			
Income Tax			
- Current Year			
- Earlier Years	(57367722)	-	(57367722)
Deferred Tax Charge	148998244	-	148998244
<b>Profit for the Year</b>			
<b>Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to Profit and Loss	-	-	-
(ii) Income tax relating to items that will not be reclassified to Profit and Loss	-	-	-
B. (i) Items that will be reclassified to Profit and Loss	-	-	-
(ii) Income tax relating to items that will be reclassified to Profit and Loss	-	-	-
<b>Total Comprehensive Income</b>	<b>148998244</b>	<b>-</b>	<b>148998244</b>

**Note on reconciliation**

- The company has charged the Interest to the extent of Rs. 20,90,90,000 on overdue payment made to ARC Trust in the previous years, which have been re-classified to fulfill the requirements of Ind AS under the Finance Cost.
- The company has also reclassified the prior year expenses of Rs. 847,372 under the relevant head of expenditure as required under the Ind AS.

**IND AS Reconciliation**

**Reconciliation of Net Profit and Equity as reported under Previous GAAP and IND As as under:  
(Amount in Rupees)**

Particulars	Net Profit Reconciliation As at March 31 2017	Equity Reconciliation	
		As at March 31, 2017	As at April 01, 2016
Net Profit/Equity as per previous Indian GAAP	148998244	162937380	(69284065)
Adjustment for proposed dividend (including tax thereon)	-	-	-
Impact on re-measurement of leasehold land	-	-	-
Fair value of Investments	-	-	-
Measurement of financial liabilities at amortized cost and impact of related derivatives contract	-	-	-
Fair value of the Property, plant and equipment	-	10000000	432660149
Writing of Revaluation reserves	-	-	(41399720)
Deferred Taxes	-	-	-
<b>Net Profit for the period as per Ind AS</b>	148998244	172937380	321976364
Other Comprehensive Income (Net of Taxes)	-	-	-
Total Comprehensive Income (Net of Taxes)	148998244	172937380	321976364

**Statement of Cash Flows****(Amount in Rupees)**

Particulars	Previous GAAP As at March 31, 2017	Transition Effect As at March 31, 2017	IND AS As at March 31 2017
Net Cash Flow from Operating Activities	(18146575)	-	(18146575)
Net Cash Flow from Investing Activities	(2370799)	-	(2370799)
Net Cash Flow (used in) Financing Activities	17533321	-	17533321
Net Cash Inflow	(2984053)	-	(2984053)
Opening Cash and Cash Equivalents	5503766	-	5503766
Exchange fluctuation on foreign currency bank balances	-	-	-
Closing Cash and Cash Equivalents	2519713	-	2519713

**Notes to Financial Statements for the year ended March 31, 2018****1. General Information**

Nath Pulp and Paper Mills Limited (CIN L21100MH1975PLC018289) is incorporated under the Companies Act, 1956 with its registered office at Nath House, Nath Road, Aurangabad. The company is engaged in the business of Manufacturing of Paper and Paper Board. The Company has a product range of Kraft Paper, Core Board, Thermal Paper & Coated Paper. The Factory is situated at Village Wahegaon, TqPaitha, Dist Aurangabad (MS).

The financial statement for the year ended 31st March 2018 are approved by the Board of Directors and authorized for issue on 30th May 2018.

**2. SIGNIFICANT ACCOUNTING POLICIES:****A. Statement of Compliance**

The company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standard. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. Reconciliations and descriptions of the effect of the transitions have been summarized in the annexed notes no 28.

**B. Basis of Preparation and Presentation**

- i) The financial statements are prepared on historical cost basis in accordance with applicable Indian Accounting Standards (Ind AS) and on accounting principles of going concern except fixed assets which are measured at fair values. These financial statements have been prepared to comply with all material aspects with the Indian accounting standards notified under section 133 of the Act, (the "Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act.
- ii) Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policies hitherto in use.

- iii) As the quarter and year figures are taken from the source and rounded to the nearest digits, the figures already reported for all the quarters during the year might not always add up to the year figures reported in this statement.
- iv) 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 12 months for the purpose of current classification of assets and liabilities.

**C. REVENUE RECONGNITION**

**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.

**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.

**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.

**D. PROPERTY, PLANT AND EQUIPMENTS**

- i) Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.
- ii) Properties are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
- iii) Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.
- iv) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.
- v) New product development expenditure is capitalized to Gene/Seed Development Know-how. The same is written off in ten equal yearly installments commencing from the year in which the tangible benefits start accruing to the Company.

**E. CAPITAL WORK-IN-PROGRESS**

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

**F. DEPRECIATION / AMORTIZATION**

- i) Depreciation on tangible Property, plant and equipment is provided for on basis of useful life specified in Schedule II to the Act.
- ii) Depreciation is charged as per the provisions of Schedule II to the Act based upon useful life of Property, plant and equipment. The useful life is adopted for the purpose of depreciation is as under.

Assets	Useful life year
i) Factory Building	30
ii) Plant & Machineries	8
iii) Office Equipment	5
iv) Computers	3
v) Furniture & Fixture	10
vi) Motor Car & Light Vehicle	8

## **G. IMPAIRMENT**

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

## **H. 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.

## **I. FOREIGN CURRENCY TRANSACTIONS:**

- i) Transactions in foreign currency are recorded at the rate prevailing on the date of the transaction.
- ii) Current Assets and Current Liabilities in foreign currency outstanding as at the year-end are stated at the rates of exchange prevailing at the close of the year. The resultant gains/losses of the year are recognized in the Statement of Profit and Loss.

## **J. GOVERNMENT GRANTS**

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

## **K. EMPLOYEES BENEFITS:**

Liability as at the year end in respect of retirement benefits is provided for and/ or funded and charged to Statement of Profit and Loss as follows:

### **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) Retirement benefit costs and termination benefit**

Payments to defined contribution plans are recognized as expense when employees have rendered service entitling them to the contributions.

The Company determines the present value of the defined benefit obligation and recognizes the liability or asset in the balance sheet.

The present value of the obligation is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each year

### **Defined benefit costs are composed of:**

- (a) **service cost:**- recognized in profit or loss; service cost comprises (i) current cost which is the increase in the present value of defined benefit obligations resulting from employee service in the current period, (ii) past service cost which is the increase in the present value of defined benefit obligations resulting from employee service in the prior periods resulting from a plan amendment, and (iii) gain or loss on settlement.
- (b) **Re-measurements of the liability or asset:**- recognized in other comprehensive income.

- (c) Re-measurements of the liability or asset essentially comprise of actuarial gains and losses (i.e. changes in the present value of defined benefit obligations resulting from experience adjustments and effects of changes in actuarial assumptions).

**Short-term benefits:**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave and other short term benefits in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

**Other long-term benefits:**

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date

**iii) Bonus**

The company recognizes a liability and expense for bonus. The company recognizes a provision where contractually obliged or where there is past practice that has created a constructive obligation.

**L. BORROWING COST**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred. The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset. The Company suspends capitalization of borrowing costs during extended periods in which it suspends active development of a qualifying asset

**M. 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

**N. TAXATION  
INCOME TAX**

Provision for Current Tax is made and retained in the accounts on the basis of estimated tax liability as per applicable provisions of Income Tax Act 1961.

**DEFERRED TAX**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Current and deferred tax for the period**

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

The Company recognizes interest levied and penalties related to Income Tax assessments in the tax expense.

**O. EARNING PER SHARE**

Basic earnings per share is 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 for the year attributable to equity share holders. The weighted average number of equity shares outstanding during the year and for all years 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.

**P. 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.

**Q. PROVISION AND CONTINGENT LIABILITIES**

**Provisions:**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

**Contingent Liabilities:**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**R. CASH AND CASH EQUIVALENTS**

In the Cash Flow Statement, cash and cash equivalents includes cash on hand, demand and short term deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

**S. FINANCIAL ASSETS AT AMORTISED COST**

Financial assets are subsequently measured at amortized cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**T. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and a contractual terms of the financial assets give rise on the specified dates to cash flows that are solely payment of the principal and interest on the principal amount outstanding.

**U. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of assets and liabilities at fair value through profit and loss are immediately recognized in the statement of profit and loss.

**V. FINANCIAL LIABILITIES**

Financial liabilities are measured at amortized cost using the effective interest method.

**W. EQUITY INSTRUMENTS**

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. The Company recognizes equity instruments at proceeds received net off direct issue cost.

**X. RECLASSIFICATION OF FINANCIAL ASSETS**

The Company determines classification of the financial assets and liabilities on initial recognitions. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

**Y. OFFSETTING OF FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet if there is currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**Note 3 Property, Plant & Equipment for the year ended 31<sup>st</sup> March, 2018**

Sr	Particulars	Gross Block			Depreciation / Amortization			Net Block		
		As at 01.04.2017	Addition During the year	As at 31.03.2018	Upto 31.03.2017	Adjustment	For the Year	Upto 31.03.2018	As at 31.03.2018	Asat 31.03.2017
1	Free Hold Land	430000000	-	430000000	-	-	-	-	430000000	430000000
2	Factory Building	185609703	-	185609703	165561682	-	897910	166459595	19150108	20048018
3	Plant & Machinery	1359108104	2097955	1361206059	1290461557	-	5469279	1295930836	65275223	68646547
4	Office Equipment	3738738	156465	3895202	3398136	-	143444	3541580	353622	340602
5	Computer	1969680	609451	2579131	1583312	-	241128	1824440	754691	3863368
6	Furniture & Fixture	3861023	173528	4034551	3691767	-	25554	3717321	317230	169256
7	Vehicle	586343	-	586343	557026	-	-	557026	29317	29317
	<b>Grand Total</b>	<b>1984873591</b>	<b>3037398</b>	<b>1987910989</b>	<b>1465253483</b>	<b>-</b>	<b>6777315</b>	<b>1472030798</b>	<b>515880191</b>	<b>519620108</b>
	<b>Previous Year</b>	<b>1979909198</b>	<b>4964393</b>	<b>1984873591</b>	<b>1464310603</b>	<b>(5813705)</b>	<b>6756585</b>	<b>1465253483</b>	<b>519620108</b>	<b>515598595</b>

Sr	Particulars	Gross Block			Depreciation / Amortization			Net Block		
		As at 01.04.2016	Addition During the year	As at 31.03.2017	Upto 31.03.2016	Adjustment	For the Year	Upto 31.03.2017	As at 31.03.2017	Asat 31.03.2016
1	Free Hold Land	430000000	-	430000000	-	-	-	-	430000000	430000000
2	Factory Building	185609703	-	185609703	166045448	(1381673)	897910	165561682	20048018	19564255
3	Plant & Machinery	1354660283	4447821	1359108104	1289240721	(4264790)	5485626	1290461557	68646547	65419562
4	Office Equipment	3670979	67759	3738738	3375507	(124504)	147133	3398136	340602	295472
5	Computer	1520867	448813	1969680	1381298	12777	189237	1583312	386368	139569
6	Furniture & Fixture	3861023	-	3861023	3715829	(50902)	26840	3691767	169256	145194
7	Vehicle	586343	-	586343	551800	(4613)	9839	557026	29317	34543
	<b>Total</b>	<b>1979909198</b>	<b>4964393</b>	<b>1984873591</b>	<b>1464310603</b>	<b>(5813705)</b>	<b>6756585</b>	<b>1465253483</b>	<b>519620108</b>	<b>515598595</b>

**Note No 4: Other Non-Current Financial Assets**

{Unsecured, Considered Good (unless otherwise stated)}

Particular	As at March 31, 2018 (Rupees)	As at March 31, 2017 (Rupees)	As at March 31, 2016 (Rupees)
Security Deposits	3,87,82,342	3,87,57,342	38,757,342
Capital Advance	50,93,759	16,46,000	1,911,195
<b>Total</b>	<b>4,38,76,101</b>	<b>4,04,03,342</b>	<b>40,668,537</b>

**Note No 5: DEFERRED TAX ASSETS (NET)****Liability:**

WDV of Fixed Asset	1,25,31,245	1,03,06,003	-
	<b>1,25,31,245</b>	<b>1,03,06,003</b>	<b>-</b>

**Assets:**

WDV Fixed Assets	-	-	3,645,812
Gratuity	70,62,962	79,57,274	-
Leave Encashment	11,24,900	12,68,728	-
Expenses disallowed u/s 43B of Income Tax Act	-	6,52,06,075	1,036,974
Carried forward Unabsorbed Depreciation	19,31,68,903	13,17,80,979	133,855,545
<b>Total Deferred Tax assets at the year end</b>	<b>20,13,56,765</b>	<b>20,62,13,056</b>	<b>138,539,331</b>

Less: Opening deferred tax assets	195907053	13,85,39,331	129,114,959
Deferred Tax Assets recognized during the year	70,81,533	(5,73,67,722)	9,424,372
<b>Net Deferred Tax Assets</b>	<b>18,88,25,520</b>	<b>19,59,07,053</b>	<b>138,539,331</b>

**Note No 6: OTHER NON-CURRENT ASSETS [Unsecured, Considered Good]**

Electricity Duty Refund Receivable	13,33,868	13,33,868	13,33,868
Additional Supply Charges Receivable	10,469,029	10,469,029	10,469,029
<b>Total</b>	<b>1,18,02,897</b>	<b>1,18,02,897</b>	<b>11,802,897</b>

**Note No 7: INVENTORIES**

<b>Raw Material:</b> Raw Materials (Waste Paper & Base Paper)	1,71,22,861	1,33,77,911	11160242
Dyes and Chemicals	2,47,43,307	77,75,734	6174503
Stock in Transit	-	3,61,124	3231617
<b>Sub Total</b>	<b>4,18,66,168</b>	<b>2,15,14,769</b>	<b>20566362</b>
Finished Goods: Work-in-process	14,86,735	6,94,262	1389768
Finished Products (Kraft ,Coated & thermal Paper)	4,60,72,505	3,26,85,627	33924312
<b>Sub Total</b>	<b>4,75,59,240</b>	<b>3,33,79,889</b>	<b>35314080</b>
<b>Store , Spares &amp; Consumables:</b> Stores and Spare	2,60,99,312	1,98,19,868	16725199
Packing Material	22,61,457	11,82,827	1097593
<b>Sub Total</b>	<b>2,83,60,769</b>	<b>2,10,02,695</b>	<b>17822792</b>
Coal	64,46,524	6,74,722	11248817
<b>Sub Total</b>	<b>64,46,524</b>	<b>6,74,722</b>	<b>11248817</b>
Scrap and other materials	-	2,68,389	268389
<b>Sub Total</b>	<b>-</b>	<b>2,68,389</b>	<b>268389</b>
<b>Total</b>	<b>12,42,32,701</b>	<b>7,68,40,464</b>	<b>85220440</b>

**Note no 8: TRADE RECEIVABLES**

<b>Particular</b>	<b>As at March 31, 2018 (Rupees)</b>	<b>As at March 31, 2017 (Rupees)</b>	<b>As at March 31, 2016 (Rupees)</b>
i) Secured: Considered Good			
Due for a period of less than six months	18,61,598	11,00,000	3449457
Due for a period of more than six months	55,02,208	11,00,000	1042281
ii) Unsecured: Considered Good			
Due for a period of less than six months	14,13,18,705	12,83,88,086	99768241
Due for a period of more than six months	5,76,330	63,42,793	7598506
iii) Unsecured: Considered doubtful:			
Due for a period of more than six months	35,19,370	-	6548867
Less: Provision for doubtful debtors	(35,19,370)	-	(6548687)
<b>Total</b>	<b>14,92,58,841</b>	<b>13,69,30,879</b>	<b>111858485</b>

**Note: Movement in the allowances for doubtful debts**

Opening provision	-	-	6548867
Add: Provision made during the year	35,19,370	-	-
Less: Written off during the year	-	-	6548867
Closing Provision	35,19,370	-	-

**Note No 9: CASH AND BANK BALANCES****Cash and Cash Equivalents**

Cash on Hand	1,24,787	2,86,979	558278
Bank Balances in Current Account	79,71,072	22,32,734	4945488
<b>Total</b>	<b>80,95,859</b>	<b>25,19,713</b>	<b>5503766</b>

**Note No 10: OTHER CURRENT FINANCIAL ASSETS [Unsecured, Considered Good]**

Advances against purchase	2,08,47,476	1,33,46,791	12397860
Advance to Related Parties	-	-	4549976
Insurance claim receivable	68,33,906	-	-
Deferred Sales Tax Receivable (SGST)	339,21,613	-	-
VAT Receivable	4,76,77,555	3,93,85,162	11328897
Balances with Income Tax department	22,84,984	21,99,474	2148476
Advances to Staff	3,09,747	3,17,735	377722
<b>Total</b>	<b>11,18,75,282</b>	<b>5,52,49,162</b>	<b>30802931</b>

**Note No 11: OTHER CURRENT ASSETS [Unsecured, Considered Good]**

GST Receivable	36,68,195	-	-
Prepaid Expenses	4,52,613	2,39,588	278030
Deposit with Govt Authorities (Net of Provision of Rs. 711322)	10,70,497	33,02,950	4119746
<b>Total</b>	<b>51,91,305</b>	<b>35,42,538</b>	<b>4397776</b>

**Note No 12: SHARE CAPITAL**  
**Authorised Share Capital**

Particulars	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016	
Equity Shares of Rs.10 each	350,00,000	35,00,00,000	350,00,000	35,00,00,000	350,00,000	35,00,00,000
	<b>350,00,000</b>	<b>35,00,00,000</b>	<b>350,00,000</b>	<b>35,00,00,000</b>	<b>350,00,000</b>	<b>35,00,00,000</b>

**Issued, Subscribed and Paid up**

Equity Shares of Rs.10 each	90,00,000	9,00,00,000	90,00,000	9,00,00,000	90,00,000	9,00,00,000
<b>Total</b>	<b>90,00,000</b>	<b>9,00,00,000</b>	<b>90,00,000</b>	<b>9,00,00,000</b>	<b>90,00,000</b>	<b>9,00,00,000</b>

**A) Reconciliation of Number of Shares**  
**Equity Shares**

Balance as at the beginning of the year	9000000	90000000	9000000	90000000	9000000	90000000
Add: Shares issued during the year	-	-	-	-	-	-
Add: Bonus Shares issued during the year	-	-	-	-	-	-
<b>Balance as at the end of the year</b>	<b>9000000</b>	<b>90000000</b>	<b>9000000</b>	<b>90000000</b>	<b>9000000</b>	<b>90000000</b>

**B) Rights, Preferences and Restrictions attached to Shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Equity shareholder is eligible for one vote per share held. They are eligible for dividend on the basis of their shareholding. In the case of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

**C) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company**

Sr	Particulars	As at 31.03.2018		As at 31.03.2017		As at 31.03.2016	
		No of Shares	% of Holding	No of Shares	% of Holding	No of Shares	% of Holding
A	Akash Farms Pvt Ltd	2000000	22.22	2000000	22.22	2000000	22.22
B	Ashu Farms Pvt Ltd	2666667	29.63	2000000	22.22	2000000	22.22
C	ARC Trust Fund	1333333	14.81	2000000	22.22	2000000	22.22
D	Tapovan Paper & Board Mills Ltd	2000000	22.22	2000000	22.22	2000000	22.22

**Note No 13: Other Equity**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Retained Earnings	17,46,91,321	17,29,37,380	32,19,76,363
<b>Total</b>	<b>17,46,91,321</b>	<b>17,29,37,380</b>	<b>32,19,76,363</b>

**Note No 14: Non- Current Financial Liabilities – Borrowings (Unsecured)**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Deferred Sales Tax Liabilities -VAT	236419260	225516846	180776081
Deferred Sales Tax Liabilities -SGST	33921613	-	-
<b>Total</b>	<b>270340873</b>	<b>225516846</b>	<b>180776081</b>

**Note:-**Deferred Sales Tax Liability of VAT as also of SGST has not been valued at fair value, which would have been Rs. 13,18,73,222 as required under the Ind AS - 113: Fair Value Measurement, considering the fact that the company is liable to pay entire dues to the Government as per its schedule of repayment.

**Note No 15: Non- Current Provisions**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Gratuity	18470742	21159220	22079978
Compensated Absence	2988577	3507019	3191778
<b>Total</b>	<b>21459319</b>	<b>24666239</b>	<b>25271756</b>

**Note No 16: Current Financial Liabilities****Secured Loans**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Term Loan from ARC Trust	152448287	270000000	64910000
Inter-corporate deposit from a company	150628766	-	-
<b>Sub Total</b>	<b>303077053</b>	<b>270000000</b>	<b>64910000</b>

**Note :****a) Term Loan from ARC Trust**

- (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, PaithanDist 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.

**b) Inter-corporate deposit from a company**

Secured by pledge of shares of a group company owned by Promoter group Companies

**Unsecured Loans**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
From Related Parties	2469320	1907867	2330363
Loans from Companies	87599326	53953708	55750777
Loan from Other	4541277	4604821	20000000
<b>Sub Total</b>	<b>94609923</b>	<b>60466396</b>	<b>78081140</b>

<b>Total</b>	<b>397686976</b>	<b>330466396</b>	<b>142991140</b>
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**Note No 17: OTHER CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Sundry Creditors for Supplies	161901484	142728069	130788159
Sundry Creditors- SME Sector	-	-	-
Other Creditors	7205370	16671242	16965218
<b>Total</b>	<b>169106854</b>	<b>159399311</b>	<b>147753377</b>

**Note No 18: OTHER CURRENT FINANCIAL LIABILITIES****Current Maturities of long term debts**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Term Loan from IFCI	3946697	6462061	7103388

(Interest overdue to the extent of Rs. 39,46,697 for the period of February 2012 to June 2017)

**Other Payables**

Credit Balance in Debtors	7440583	7435816	3742816
Sundry Creditors for Staff Balance	6210525	5749421	6622106
Statutory Liabilities	3230972	5360057	5736114
Deposits from Dealer	8042647	8042647	6947598
<b>Total</b>	<b>28871423</b>	<b>33050002</b>	<b>30152022</b>

**Note No 19: OTHER CURRENT FINANCIAL LIABILITIES – PROVISIONS****Provisions for Employee Benefits**

Particulars	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016
Gratuity	4386739	4592477	3327883
Compensated Absences	651877	598896	508686
Statutory Bonus	1843315	1588608	1635450
<b>Total</b>	<b>6881931</b>	<b>6779981</b>	<b>5472019</b>

**Note No 20: REVENUE FROM OPERATIONS**

Particulars	Year Ended 31 <sup>st</sup>	Year Ended 31 <sup>st</sup>
	March, 2018 (Rupees)	March, 2017 (Rupees)
Manufactured Goods		
Sale of Paper and Paper Board	1,15,49,20,271	1,07,96,41,158
Less : Excise Duty**	(1,87,35,349)	(7,39,38,259)
Less : Discounts	(3,13,32,940)	(2,54,08,538)
	1,10,48,51,982	98,02,94,361
Other Operating Revenue		
Income From Consulting Service	-	24,00,000
	-	24,00,000
<b>Total</b>	<b>1,10,48,51,982</b>	<b>98,26,94,361</b>

\*\* During the current financial year, excise duty was enforced upto 30th June, 2017, hence the figures of excise duty for the financial year ended on 31st March 2018 are taken upto 30th June 2017.

**Note No 21: OTHER INCOME**

Scrap & Other Sales	12,74,190	39,34,227
Interest Income (Interest on overdue trade receivables)	6,63,027	25,93,594
Liabilities/ Provision no longer required written back	38,29,795	28,30,443
Fire Loss Insurance Claim	68,33,906	-
Export Duty Drawback Received	1,80,531	-
MSEDC Ltd Non Continuous Refund	1,84,13,653	-
Exchange Rate Fluctuation	22,618	-
Insurance Claim Received	28,131	19,24,523
Insurance Charges	31,22,482	27,27,506
Misc. Income	8,98,357	6,76,120
<b>Total</b>	<b>3,52,66,690</b>	<b>1,46,86,412</b>

**Note No 22: Cost of Material Consumed**

Particulars	Year Ended 31 <sup>st</sup> March, 2018 (Rupees)	Year Ended 31 <sup>st</sup> March, 2017 (Rupees)
Opening Stock	2,11,53,645	1,73,34,745
Add: Purchases of Raw Material	67,46,75,578	57,30,03,822
Add: Purchase Chemical	12,53,98,525	10,31,31,526
Less: Raw Material	(1,71,22,861)	(1,33,77,911)
Less: Chemicals	(2,47,43,307)	(77,75,734)
<b>Total</b>	<b>77,93,61,580</b>	<b>67,23,16,447</b>

**Major Items contributing in raw material consumption**

Waste Paper	54,93,46,766	43,30,68,921
Base Paper	12,15,83,862	13,77,17,232
Chemicals	10,84,30,952	10,15,30,295
	77,93,61,580	67,23,16,447

**Note No 23: Change in Inventories (Increase)/ Decrease in Stock**

Particulars	Year Ended 31 <sup>st</sup> March, 2018 (Rupees)	Year Ended 31 <sup>st</sup> March, 2017 (Rupees)
Closing Stock a) Finished Goods	4,60,72,505	3,26,85,627
b) Work in Process	14,86,735	6,94,262
c) Scrap & Other Material	-	2,68,389
	4,75,59,240	3,36,48,278
Opening Stock a) Finished Goods	3,26,85,627	3,39,24,312
b) Work in Process	6,94,262	13,89,768
c) Scrap & Other Material	2,68,389	2,68,389
	3,36,48,278	3,55,82,469
<b>Total</b>	<b>(1,39,10,962)</b>	<b>19,34,191</b>



**Note No 24: Employee Benefit Expenses**

Particulars	Year Ended 31 <sup>st</sup> March, 2018 (Rupees)	Year Ended 31 <sup>st</sup> March, 2017 (Rupees)
Salaries, Wages and Bonus	4,92,04,820	5,08,38,026
Contribution to Provident and Other Funds	40,84,639	35,02,218
Staff Welfare Expenses	7,89,158	7,93,703
Gratuity & Compensated Absences	10,18,831	44,14,193
<b>Total</b>	<b>5,50,97,448</b>	<b>5,95,48,140</b>

**Note No 25: Finance Cost**

Interest Expenses*	32,83,696	21,43,00,149
Finance Charges	5,84,43,947	3,82,551
<b>Total</b>	<b>6,17,27,643</b>	<b>21,46,82,700</b>

\* Includes Rs. 20,90,90,000 for the year ended March 31st, 2017 payable to ARC Trust which was not provided in the earlier years

**Note No 26: Depreciation Expenses**

Depreciation on Tangible Assets	67,77,315	91,81,006
<b>Total</b>	<b>67,77,315</b>	<b>91,81,006</b>

**Note No 27: Other Expenses****a) Manufacturing Expenses**

Store & Spares Consumed	2,37,77,573	2,36,03,631
Packing Material Consumed	85,38,777	45,90,933
Power & Fuel	13,95,78,358	15,76,01,892
Water	19,86,935	9,02,839
Labour Wages	1,41,21,971	81,00,272
Freight & Forwarding	39,75,258	22,03,909
Repairs and Maintenance (Machinery)	36,46,950	1,09,746
Repairs and Maintenance (Factory Building)	4,70,735	-
<b>Sub Total</b>	<b>19,60,96,557</b>	<b>19,71,13,222</b>

**b) Administrative Expenses**

Rent	3,39,231	8,40,845
Rates and Taxes	15,34,708	41,80,489
Insurance	6,37,706	6,35,691
Legal & Professional Expenses	86,33,095	74,70,727
Repairs and Maintenance - Others	28,43,299	46,18,261
Communication	3,72,882	4,60,484
Printing & Stationery	4,50,504	4,32,327
Auditors' Remuneration:		
Statutory Audit Fee	2,50,000	2,50,000
Tax Audit Fee	50,000	50,000
Other services	78,000	-
Directors' sitting fees	80,000	65,450
Business Promotion	75,966	2,14,744
Miscellaneous Expenses	21,02,257	39,18,495
Bank Charges	2,71,306	1,41,587
Security Charges	16,43,428	17,47,777
License Inspection & Testing Fees	4,63,234	37,778
Electricity Expenses	2,81,982	3,64,749
Rate Difference	-	76,080
Books & Periodicals	17,583	21,780
Postage & Courier	2,49,192	2,24,361
Computer Expenses	8,48,883	3,25,084
Merger Expenses	5,90,000	-
<b>Sub Total</b>	<b>2,18,13,256</b>	<b>2,60,76,708</b>

**c) Selling Expenses**

Particulars	Year Ended 31st March, 2018 (Rupees)	Year Ended 31st March, 2017 (Rupees)
Travelling and Conveyance	35,73,809	29,63,165
Advertisement and Sales Promotion	1,30,918	1,02,931
Membership & Subscription	94,780	85,418
Service Charges	-	11,000
Bad Debts Provisions	35,19,370	-
Sundry debit balances written off	21,12,898	29,24,595
<b>Sub Total</b>	<b>94,31,774</b>	<b>60,87,109</b>

**d) Discount, Schemes and Incentives**

Cash Discounts	14,11,694	25,90,081
Sales Commission	1,24,29,049	1,45,93,514
Special Discount	30,037	2,28,760
Quantity Discounts	8,45,389	18,28,604
Selling Expenses	1,72,417	95,183
<b>Sub Total</b>	<b>1,48,88,586</b>	<b>1,93,36,142</b>
<b>Total (A+B+C+D)</b>	<b>24,22,30,174</b>	<b>24,86,13,181</b>

**Note No 28: First Time adoption of Ind AS Transition to IndAS .****These are the Company's first financial statement prepared in accordance with Ind AS.**

The accounting policies set out in Note 1, have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of opening Ind AS balance sheet as at April 1, 2016. In preparing its opening balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes

**28.1 emptions and exceptions availed Ind AS optional exemptions cost.**

28.1.1. Deemed cost:-Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as for the previous GAAP and use that as its deemed cost as at date of transition after making necessary adjustments for decommissioning liabilities. The exemption can also be used for intangible assets covered by Ind -38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying values as at April 1, 2016.

28.1.2 Leases: Appendix -C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected not to be material. The Company has elected to apply this exemption for such contracts / arrangements.

28.1.3. Decommissioning liability included in the cost of property, plant and equipment: An entity need not to comply with the requirements of Appendix A of Ind AS -16 changes in Existing Decommissioning, Restoration similar liabilities for liabilities occurred before the date of transition to Ind AS. An entity can measure the liability as at the date transition. The Company has elected to measure such liabilities as on the date of transition and on the basis of such evaluations no liabilities need to be recognized.

## 28.2. Ind AS mandatory exceptions

28.2.1. De-recognition of financial assets and liabilities: IndAs 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply AS 109 to financial assets and Financial liabilities de-recognized as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS

28.2.2 Classification and measurement of financial assets: Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date transition to Ind AS.

28.2.3. Impairment of financial assets: An entity shall determine the approximate credit risk at the date that financial instruments were initially recognized and compare that to the credit risk at the date of transition to Ind. This should be based on reasonable and supportable information that is available without undue cost or efforts. If any entity is unable to make this determination without undue cost or effort, it shall recognize a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is de-recognized. The Company has this exception to analyse credit risk of the financial assets as the date of transition instated of the date of initial recognition.

### Note No 29 Fair Value Measurements

Particulars	Carrying Amount			Fair Value		
	As at March 2018	at March 2017	As at April 01 2016	As at March 2018	at March 2017	As at April 01 2016

#### Financial Assets

Financial Assets measured at amortized cost

a) Sundry Deposits	38782342	38757342	38757342	38782342	38757342	38757342
b) Capital Advance	5093759	1646000	1911195	5093759	1646000	1911195
c) Trade Receivable	149258841	136930879	111858485	149258841	136930879	111858485
d) Cash on Hand	124787	286979	558278	124787	286979	558278
e) Bank Balance	7971072	2232734	4945488	7971072	2232734	4945488
f) Electricity Refund Receivable	11802897	11802897	11802897	11802897	11802897	11802897
g) Advance against Purchase	20847476	13346791	12397860	20847476	13346791	12397860
h) Receivable from Govt Authorities	83884152	41584636	13477373	83884152	41584636	13477373
i) Other Receivable	7143653	317735	377722	7143653	317735	377722

#### Financial Liabilities

Financial Liabilities measured at amortized cost

a) Non Current Borrowings	270340873	225516846	180776081	270340873	225516846	131873222
b) Current Borrowings	397686976	330466396	142991140	397686976	330466396	142991140
c) Trade Payable	169106854	159399311	147753377	169106854	159399311	147753377
d) Other Payable	28871423	33050002	30152022	28871423	33050002	30152022

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction among willing parties, other than in a forced or liquidation sale

The Company determines fair values of financial assets and financial liabilities by discounting contractual cash inflows/ outflows using prevailing interest rates of financial instruments with similar terms. The fair value of investment is determined using quoted net assets value from the fund. Further, the subsequent measurement of all finance assets and liabilities (other than investment in mutual funds) is at amortized cost, using the effective interest method.

### Discount rates used in determining fair value

The interest rate used to discount estimated future cash flows, where applicable, are based on the incremental borrowing rate of the borrower which in case of financial liabilities is the weighted average cost of borrowing of the Company and in case of financial assets is the average market rate of similar credits rated instrument

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. In addition, the Company internally reviews valuation, including independent price validation for certain instruments.

Fair value of financial assets and liabilities is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The following methods and assumptions were used to estimate fair value:-

- a. Fair value of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short term maturities of these instruments.
- b. The fair value of the Company's interest borrowing received are determined using discount rate reflects the entity's borrowing rate as at the end of the reporting period. The own non performance risk as at the end of reporting period was assessed to be insignificant.

### Fair value hierarchy

All financial instruments for which fair value is recognized or disclosed are categorized within the fair value hierarchy described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

Level-1: Quoted (unadjusted) price in active market for identical assets or liabilities

Level-2: Valuation technique for which the lowest level input that has a significant effect on the fair value measurement are observed, either directly or indirectly.

Level-3: Valuation technique for which the lowest level input has a significant effect on the fair value measurement is not based on observation market data.

### Note No 30: Financial Instruments and Risk Review

#### I) Capital Management

The Company's capital management objectives are:-

The Board policy is to maintain a strong capital base so as to maintain investor, creditors and market confidence and to future development of the business. The Board of Directors monitors return on capital employed.

The Company manages capital risk by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary.

The Company uses debt ratio as a capital management index and calculates the ratio as Net debt divided by total equity. Net debt and total equity are based on the amounts stated in the financial statements.

Debt-to-equity ratio is as follows

Particulars	As at March 31, 2018	As at March, 31 2017	As at April 01 2016
Net Debts (A)*	659931990	553463529	318263455
Equity (B)**	264691321	262937380	411976363
Debt Ratio (A/B)	2.49:1	2.10:1	0.77:1

\* Net Debts includes Non-Current borrowings, Current borrowings, Current Maturities of non-current borrowing net off Current Investment and cash and cash equivalent

\*\* Equity Includes capital and other equity

## II) Credit Risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to contractual terms or obligations. Credit risk encompasses both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration of risks. Credit risk is controlled by analyzing credit limit and creditworthiness of customers on a continuous basis to whom the credit has been granted offer necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consists of trade receivable investments, derivative financial instruments and other financial assets. None of the financial instruments of the Company results in material concentration of credit risk

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk is as under, being the total of the carrying amount of balances with trade receivables.

As on	Amount in Rupees
31 <sup>st</sup> March 2018	149258841
31 <sup>st</sup> March 2017	136930879
01 <sup>st</sup> April 2016	111858485

### Trade receivables

Ind AS requires expected credit losses to be measured through a loss allowance. The Company assesses at each date of financial statement whether a financial asset or group of financial assets is impaired. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to 12 months expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition

Before accenting any new customer, the Company uses an external/internal credit scoring system to assess potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customer are reviewed periodic basis

## III) Liquidity Risk

### a) Liquidity risk management

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### b) Maturities of financial liabilities

The following tables detail the remaining contractual maturities for its financial liabilities with agreed repayment period. The amount disclosed in the tables have been draw up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Particulars	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017		01 <sup>st</sup> April 2016	
	Less than 1 year	1-3 year	Less than 1 year	1-3 year	Less than 1 year	1-3 year
Non-current Financial Liability	-	-	-	-	-	-
Loan/ Term Loan (at variable rate)	3946697	270340873	6462061	225516846	7103388	180776081
<b>Total</b>	<b>3946697</b>	<b>270340873</b>	<b>6462061</b>	<b>225516846</b>	<b>7103388</b>	<b>180776081</b>

**c) Maturities of financial assets**

The following table details the Company's expected maturity for financial assets. The table has been drawn up on based on the undiscounted contractual maturities of the financial assets including interest that will be earned such assets.

Particulars	31 <sup>st</sup> March 2018		31 <sup>st</sup> March 2017		01 <sup>st</sup> April 2016	
	Less than 1 year	1-3 year	Less than 1 year	1-3 year	Less than 1 year	1-3 year
Non-current Financial Assets						
Security Deposit	-	38782342	-	38757342	-	38757342
Capital Advance	-	5093759	-	1646000	-	1911195
<b>Total</b>	-	<b>43876101</b>	-	<b>40403342</b>	-	<b>40668537</b>

**IV) Market Risk**

Market risk is risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rate, interest rate, credit, liquidity and other market changes.

**Note No 31: Contingent Liabilities not provided for in respect of:**

Particulars	Current Year (Rupees)	Previous year (Rupees)
a) Claims against the Company not acknowledged as debts in respect of legal cases including consumer cases.		
i) Disputed Demands of Central Excise & Service Tax	22333975	6531719
ii) Disputed demands of Maharashtra Value Added Tax for the year 2006-07, 2007-08 and 2011-12	4318970	20043084
iii) Disputed demands of Water Cess (including interest up to the date of demand)	1598193	1598193
iv) Disputed demand of Property Tax from Gram Panchayat	2713459	2713459
v) Deferred sales tax Liability transferred to another Company (with recourse)	158636440	158636440
vi) Amount of interest liability/ penalty, if any on non-levy of GST on over due interest on debtors/ 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 unascertainable	Amount 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
c) Capital Commitments :- 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/- )	7122481	2880075

**Note No 32:** In the opinion of the Board, Current and Non-current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of the business.

**Note No 33:** Certain accounts of Trade Receivable, Trade Payable, Unsecured Loans, Employees, certain current account balances with banks, Loans and Advances are subject to confirmations and reconciliations, if any. The difference as may be noticed on reconciliation will be duly accounted for on completion thereof. In the opinion of the management, the ultimate difference will not be material.

**Note No 34: Managerial Remuneration:**

Particulars	Current Year (Rupees)	Previous year (Rupees)
Mr. Akash Kagliwal (Managing Director) Salary & Allowance Contribution to Provident Fund	2520000 - -	1800000 - -
	<b>2520000</b>	<b>1800000</b>
Mr. Vijay Saboo Chief Financial Officer Salary & Allowance Contribution to Provident Fund	2742400 - -	2742400 - -
	<b>2742400</b>	<b>2742400</b>

**Note No 35:** The Company has dispatched letters 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% p.a. thereon is as under:-

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act,	-	-
Interest due and payable towards suppliers registered under MSMED Act,	-	-
Further interest remaining due and payable for earlier years	-	-

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

**Note No 36: Segment Reporting**

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

**Note No 37:** In the opinion of the Board, Property, Plant and Equipment have been stated at cost, which is at least equal to or less than the realizable value if sold in the ordinary course of business. Consequently, the management is of the opinion that there is no impairment of Property, Plant and Equipment.

**Note No 38: Employee Benefits**

The company has classified the various benefits provided to employees as under:

**Defined Contribution Plans:**

During the year, the Company has recognized the following amounts in the Profit & Loss Account

Particulars	Current year	Previous year
Employers Contribution to Provident Fund	3045806	2254183
Employers Contribution to ESI	1019834	744067
Employers Contribution to Labour Welfare Fund	18999	7200

**Defined Benefit Plans:**

The company has neither created fund nor contributed to Scheme framed by the Insurance Company for the defined benefit plans for the qualifying employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit credit method with actuarial valuations being carried out at each balance sheet date.

In accordance with accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plan of gratuity based on the following assumptions: -

Particulars	Current year	Previous year
Discount Rate	7.80%	7.22%
Salary escalation rate	7%	6%
Expected rate of return on Plan Assets	-	-
Expected average remaining service of employee in the number of years	-	-

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2018

**a) Change in Present Value of Defined Benefit Obligation**

Present value of obligations at the beginning of the year	25751697	25407861
Current Service Cost	976997	990368
Past Current Service Cost	-	-
Interest Cost	1859273	1981813
Actuarial (Gain) / Loss	(1912155)	609854
Benefit paid	(3817971)	(3238199)
<b>Present value of obligations at the end of the year</b>	<b>22857841</b>	<b>25751697</b>

**b) Change in Fair value of plan assets**

Fair Value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Employer's contributions	3817971	3238199
Actuarial gain / (loss) on plan assets	-	-
Benefit paid	(3817971)	(3238199)
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>

**c) Percentage of each category of plan assets to total fair value of plan assets as at 31st March 2018**

Obligation on the part of the Company	100%	100%
---------------------------------------	------	------

**d) Reconciliation of the present value of defined benefit obligations and the fair value of plan assets**

Present value of funded obligations as at the end of the year	-	-
Fair value of plan assets as at the end of the year	-	-
Funded (Assets)/liability recognized in the Balance Sheet as at the end of the year	-	-
Present value of unfunded (assets) / obligations as at the end of the year	22857841	25751697
Unrecognized past service cost	-	-
Unrecognized actuarial (gain)/loss	-	-
<b>Unfunded net (Assets)/liability recognized in the Balance Sheet as at the end of the year</b>	<b>22857841</b>	<b>25751697</b>

**e) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2018**

Current Service Cost	976997	990368
Interest Cost	1859273	1981813
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	(1912155)	609854
Past Service cost	-	-
<b>Net Gratuity (income) / expense</b>	<b>924115</b>	<b>3582035</b>

**f) Detail of Present value of obligation, Plan Assets and Experience Adjustments**

Present value of obligation	22857841	25751697
Fair value of plan assets	-	-
(Surplus) / Deficit	22857841	25751697
Experience Adjustment	-	-
(Gain)/ Loss on plan liabilities	-	-
(Gain)/ Loss on plan assets	-	-



- g) Expected contributions to Gratuity Fund next year Rs. NIL (Previous Year Rs. NIL)
- h) The liability for leave encashment and compensated absences as at year end is Rs. 36,40,454 (Previous year liability Rs. 41,05,915)

**Note No 39: Related Party Transactions:**

Related parties disclosure as per Indian Accounting Standard - 24:

**a) List of related parties**

1. Agri Tech (India) Ltd
2. TechIndiaNirman Ltd
3. Nath Biotechnologies Ltd.
4. NathNirman Infra Pvt Ltd
5. Tapovan International Trading Pvt Ltd
6. Nath Bio-genes (India) Ltd
7. Ashu Farms Pvt Ltd

**b) Relative of KMP**

1. Gopal Krishna Ganediwal HUF
2. LeelaGanediwal

**c) Key Management Personnel:-**

1. Mr. Akash Kagliwal (Managing Director)
2. Mr. Vijay Saboo (Chief Financial Officer)

**d) Transactions carried out with related parties as referred to in (a) to (c) above, in the ordinary course of the business**

Name of the Party	Nature of Transection	Current year	Previous year
Tapovan International Trading Pvt Ltd	Purchases	433325517	340782055
Agri Tech (India) Ltd.	Amount Received	9925000	-
	Transfer (debit to account)	9925000	-
Nath Biotechnologies Ltd.	Transfer (debit to account)	7602039	-
	Transfer (credit to account)	17675000	-
	Amount Received	24000000	-
NathNirman Infra Pvt Ltd	Transfer (debit to account)	20482	2478204
	Transfer (debit to account)	20482	-
Nath Bio-genes (India) Ltd	Amount paid	-	3272315
Gopal Krishna Ganediwal HUF	Interest paid	540002	-
	Loan repaid	63544	65000
LeelaGanediwal	Loan repaid	-	13500000

**e) Outstanding balances at the year end**

Name of the Party	As at 31.03.2018	Dr/ Cr	As at 31.03.2017	Dr/ Cr
Tapovan International Trading Pvt Ltd	50361886	Cr	60329125	Cr
Nath Biotechnologies Ltd.	34072961	Cr	-	-
Gopal Krishna Ganediwal HUF	4541277	Cr	4604821	Cr
TechindiaNirman Ltd	3000000	Dr	3000000	Dr

**Note**

1. Related party relationship is as identified by the Company and relied upon by the Auditors.
2. No amounts in respect of related parties have been written off/back during the year, nor have been provided for as doubtful debts.

**Note No 40: Foreign Currency Transactions**

**CIF Value of Imports:**

Particulars	Current year	Previous year
Raw material and Chemicals	216012047	116493151
Store & Spares	650074	-
Expenditure in Foreign Currency: - Travelling Expenses	Nil	Nil
Earning in Foreign Currency: F O B value of Exports	Nil	Nil

Particulars	As at 31 <sup>st</sup> March 2018		As at 31 <sup>st</sup> March 2018	
	Rupees	%	Rupees	%
Imported / High Seas Purchase				
Raw Material & Chemicals (Imported & High Seas)	134149124	17%	98897748	14%
Total (A)	<b>134149124</b>	<b>17%</b>	<b>98897748</b>	<b>14%</b>
Indigenous				
Raw Material & Chemicals	640986764	80%	573428549	82%
Store & Spare parts	23777573	3%	23603631	3%
Total (B)	<b>664764337</b>	<b>83%</b>	<b>597032180</b>	<b>86%</b>
Total (A+B)	<b>798913461</b>	<b>100%</b>	<b>695929928</b>	<b>100%</b>

**Note No 41: Difference in Foreign Exchange Gain (Loss) included in other income**

Particulars	Current year	Previous year
Difference in Foreign Exchange Gain (Loss) included in other income	22618	-

**Note No 42: Expenditure on Corporate Social Responsibility Activities**

As the company is not covered under criterion specified under the provisions of section 135 of the Companies Act, 2013, the company is not liable for spending any amount towards corporate social responsibility.

**Note No 43:** The net profit (loss) for the purpose of measurement of basic and diluted earnings per share in terms of Ind Accounting Standard - 33 on Earnings per Share issued by the Institute of Chartered Accountants of India has been calculated as under:

Particulars	Current Year	Previous year
Net Profit (loss) as per Profit & Loss Account	1753941	(148998244)
Less :- Dividend on Preference Shares	-	-
Numerator: Profit Available for equity share holders	1753941	(148998244)
Denominator: Weighted Average Number of Equity shares outstanding (nos.)	9000000	9000000
Denominator for Diluted equity share holder	9000000	9000000
Basic Earnings per share is arrived at by dividing Numerator by Denominator	0.19	(16.56)
Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator	0.19	(16.56)
The nominal value per equity shares is Rupees	10	10

**Note No 44:** 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 systems commensurate with the size of company and nature of its business.

**Note No 45:** As per the directions given by Hon'ble BIFR vide sanctioned scheme dated 14th February, 2012

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 Government of Maharashtra by a further 8 years. Accordingly, the repayment will start from April 2019.

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.

**Note No 46:** i) Pursuant to the letter dated 28th September 2017 of ARC Trust, the Company is required to pay Rs. 31,00,00,000 of their dues on or before 30th June, 2018 out of which the company has paid Rs. 21,00,00,000 leaving a balance of Rs. 10,00,00,000 and interest thereupon.

ii) 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 June 2018. The promoters have since purchased 13,33,330 shares.

iii) 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 2018, the company has paid entire principal dues leaving interest amounting to Rs. 39,46,697 which is yet to be paid.

**Note No 47:** Previous year's figures have been regrouped / rearranged wherever necessary to conform to the current year's presentation.

**For and on behalf of the Board of Directors**

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

**Ashu Jain**  
**Director**  
**DIN 00243310**

**Place: Aurangabad**  
**Date: 30.05.2018**

**Vijay Saboo**                      **Bhushan Puranik**  
**Chief Financial Officer**      **Company Secretary**

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

**PROXY FORM**

43<sup>RD</sup> Annual General Meeting – 28<sup>th</sup> Sept., 2018

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 28<sup>th</sup>, 2018, and at any  
adjournment thereof.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2018

**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.

-----cut hear -----

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

**ATTENDANCE SLIP**

43<sup>RD</sup> Annual General Meeting – 28<sup>th</sup> September, 2018

I hereby record my presence at the 43rd ANNUAL GENERAL MEETING of the Company held at Nath House,  
ItkhedaPaithan Road, Aurangabad -431005 on Friday, September 28<sup>th</sup>, 2018 at 02.00 P.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

\_\_\_\_\_



BLANK FOR NOTES:

BLANK FOR NOTES

**Book Post**

**To,**

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**If undelivered return to**

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