



NATH PULP AND PAPER MILLS LIMITED

44th ANNUAL REPORT

2018-19

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|---|---|
| Registered Office: Nath Pulp & Paper Mills Limited. Nath House, Paithan Road Aurangabad-Maharashtra | Factory: NathNagar (North) Village:WahegaonTaluka:Paithan Dist:Aurangabad |
| Directors: Mrs. Ashu Jain Mrs. Jeevanlata Kagliwal Mr. Omprakash Sharma Mr. Shrirang.Agarwal | Statutory Auditors: M/s Gautam N Associates Chartered Accountants 30,GNA House, Behind Manmandir Travels Adalat Road, Aurangabad-Maharashtra |
| Registrar & Share Transfer Agent: Big Share Services Pvt. Ltd. 1 st Floor, Bharat Tin Works Building Makwana Road Marol, Andheri-East Mumbai-400059 | |

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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 44th Annual General Meeting of the members of Nath Pulp and Paper Mills Ltd., will be held at the Registered Office of the company at Nath House, Nath Road, Aurangabad 431005 on 30th September 2019, Monday at 2 PM, to transact the following business:

ORDINARY BUSINESS:-

1. Adoption of Financial Statements:

To receive, consider, approve and adopt Directors' Report, Auditors' Report, Audited Balance Sheet as at 31st March 2019 and the Statement of Profit and Loss Account for the year ended on that date.

2. Appointment of Auditors:

To appoint auditors of the Company and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT pursuant to the provisions of Sections 139,142 of Companies Act, 2013 (“ACT”) and other applicable provisions of Act, if any and the rules framed there under, as amended from time to time, M/s. Gautam N Associates , Chartered Accountants, Aurangabad (having Firm Registration No. 103117W) as Statutory Auditors of the Company, who were appointed in last AGM and holds office until the conclusion of the 45th Annual General Meeting needs ratification by members of the Company for financial year 2019-20. 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.”

3. Re-Appointment of Director retire by rotation

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

SPECIAL BUSINESS

4. Appointment of Mrs. Jeevanlata Kagliwalas Director

To appoint Smt Jeevanlata Nandkishor Kagliwal (DIN-02057459) as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution was an Ordinary Resolution.

“RESOLVED THAT, pursuant to the provisions of section 152 Read with rule 8, 9 and 14 and other applicable provisions of the Companies Act, 2013 (“the Act”), Smt Jeevanlata Kagliwal (DIN : 02057459), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company, liable to retire by rotation:

RESOLVED FURTHER that the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the resolution”.

Notes:

1. 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.
2. 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.

3. Members are requested to notify immediately any change in their address to the Company at its registered office.
4. Electronic Copy of Annual Report will be sent to the members whose email IDs are registered with the Company/Depository Participant(s).
5. Members may also note that Notice of the 44th Annual General Meeting and Annual Report 2018-19 will also be available on the Company's website www.nathpaper.com for being downloaded. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during the normal business hours on working days till the date of the meeting. Even after registering e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: kgiver@nathpaper.com
6. Register of Members and Share Transfer Books of the Company shall remain closed from 27th September 2019 to 29th September 2019, both days inclusive.
7. 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.
8. Explanatory Statement pursuant to section 102 of the Companies Act, 2013 is annexed herewith.

VOTING THROUGH ELECTRONIC MEANS

In the compliance with provisions of clause 35B of the Listing Agreements read with Section 108 Companies Act 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members facility to exercise their votes for all the resolutions detailed in the Notice of 44th Annual General Meeting scheduled to be held on 30.09.2019 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 27.09.2019 (10.00 am) and ends on 29.09.2019(5.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 20.09.2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|-----|--|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. Printed on the name and address sticker/ Postal Ballot Form/mail) in the PAN Field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If |

| | |
|-----------------------|---|
| | your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN Field. |
| DOB | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |
| Dividend Bank Details | Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio in the Dividend Bank details field. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Nath Pulp and Paper Mills Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, and NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create compliance user, using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Ms. Neha P Agarwal , Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board can scrutinize the e-voting process in fair and transparent manner, The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of two (2) witnesses not in the employment of the Company and make Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman. The Result declared along with the Scrutinizer's Report shall be placed on the website of the Company viz. www.nathpaper.com and also on the website of CDSL viz.

www.cdslindia.com within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

Explanatory Statement
(Pursuant to Section 102 of the Companies Act ,2013)

As required by section 102 of the Companies Act 2013 ,following explanatory statement sets out all material facts relating to the business mentioned under item no. 4 of the accompanying Notice :

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the resolution at item No. 4 of the accompanying Notice.

Item No. 4:

Appointment of Mrs. JeevanlataKagliwal as Director:

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs Jeevanlata Nandkishor Kagliwal (DIN 02057459) as Additional Director of the Company and not liable to retire by rotation, for a period of 5 years i.e. from 01st January 2019 to 31st December 2024, subject to approval of the Members.

Pursuant to the provision of Section 161(1) of the Act and Articles of Association of the Company, each of these Directors shall hold office up to the date of this Annual General Meeting)”AGM”) and are eligible to be appointed as Directors. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member9s), proposing their candidature for the office of Directors.

Brief Profile of Smt Jeevanlata Kagliwal

| | |
|-----------------------------------|---|
| Name of Director | Smt Jeevanlata Nandkishor Kagliwal |
| Date of Birth | 30 th April 1948 |
| Date of Appointment | 01 st January 2019 |
| Qualification | M.A. Political Science |
| Director in Other Public Company | 1. Rama Pulp & Papers Ltd 2. Global Transgenes Ltd 3. Nath Industrial Chemicals Ltd 4. Nath Royal Seeds Ltd 5. Nath Bio-Genes (India) Ltd 6. Nath Bio-Technologies Ltd 7. Tech India Nirman Ltd 8. Agri Tech (India) Ltd |
| No. of shares held in the Company | 67 |

By order of the Board of Directors

Place: Aurangabad

Date: 31st Aug. 2019

Registered Office

Nath House, Nath Road,

Itkheda, Paithan Road,

Aurangabad -431005

Corporate Identification Number (CIN): L2100MH1975PLC018289

Mrs. Ashu Jain

Director

DIN: 00243310

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 44th Annual Report on the affairs of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

FINANCIAL RESULT:

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

| Particulars | Rs in Lacs | |
|--|--|--|
| | Year ended 31 st March, 2019 | Year ended 31 st March, 2018 |
| Sales and other income | 14545.53 | 11401.19 |
| Profit/ (loss) before Depreciation | 701.27 | 156.13 |
| Depreciation | 85.77 | 67.77 |
| Net Profit/ loss for the year | 88.35 | 88.35 |
| Net Profit/(loss) before tax | 615.50 | 88.35 |
| Other Comprehensive Income/ (Expenses) | (34.76) | - |
| Deferred Tax Income/(Expenses) | (17.99) | 70.82 |
| Profit after Tax | 562.75 | 17.53 |

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. 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. Domestic market for manmade fiber has been growing rapidly and many expansions are in the pipe line, It will give good prospect for our sublimation grade of paper used for printing on High end textile cloths and our TTP500 and TTP 600 grade used inPOY/FDY paper tubes.

The Company has exported core board of 8160 MT during the year. Company has exported mainly to China, Thailand, Malaysia, Indonesia and Sri Lanka. Company also has stable business with its existing customer base.

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 is in the processes of installation of Bobbbin Slitter with shrink packaging, QCS and dryers. This will add up GSM & Ply bond and additional production capacity.

Your Company has achieved turnover and other income of Rs14545.53 lakh as compared to the previous year Rs11401.91 lakh. Company has posted a Net Profit after tax of Rs. 562.75 lakh (Previous year Rs (17.53) lakh).

AMALGAMATION

The Board of Directors of the Company have approved the Scheme of Arrangement and Amalgamation between Nath Pulp and Paper Mills Limited and Nath Industrial Chemicals Limited and Rama Pulp and Papers Limited and their respective Shareholders as per the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 ("Scheme") on 30.10.2017.

Further, the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble Tribunal' or 'NCLT') has passed order on 23.08.2018 and directed a meeting to be held of equity Shareholders of the said Companies on 09.10.2018 for the purpose of considering, and, if thought fit, approving, with or without modification, the proposed Scheme. The Scheme was passed with requisite majority by Equity Shareholders of the Company in the said meeting.

Further, NCLT vide its order dated 22/08/2019 has sanctioned the Scheme of Arrangement and Amalgamation between Nath Pulp and Paper Mills Limited and Nath Industrial Chemicals Limited and Rama Pulp and Papers Limited and their respective Shareholders as per the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the compliances thereof are in process.

DIVIDEND:

The Board of Directors of your company does not recommend any dividend for the year ended 31st March 2019.

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 2018-2019, the company has expenditure related to foreign currency.

The rupee equivalent of that amount is given hereunder:-

| Particulars | Rs. In Lakh's |
|--------------------|----------------------|
| Total Expenditure | 4468.84 |
| Total Earnings | 2619.31 |

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, 2019, 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 31ST, 2019 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

OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

During the year the company has adopted a policy for prevention of Sexual Harassment of Women a workplace and has not received any complaint of harassment. The detailed policy forms has been uploaded on the Website of the Company at www.nathpaper.com

RISK MANAGEMENT POLICY

During the year, your Directors have constituted a Risk Management policy for the Company including identification therein of element of risk, if any, which in the opinion of the Board may threaten the existence of the Company as per the Provisions of Section 134930 (n) of the Companies Act ,2013.The detailed policy forms part of the Annual Report ,is given in Annexure -V

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 MsNeha P. Agarwal ,Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2018-19. 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.

INDUSTRIAL RELATIONS

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

RESEARCH & DEVELOPMENT

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the

year under review, expenditure on research and development is not significant in relation to the nature and size of operations of your Company.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

APPRECIATION

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

ACKNOWLEDGEMENT

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

For and on behalf of the Board,

Place: Aurangabad
Date : 31st August, 2019

Ashu Jain
Director
(DIN: 00243310)

**Annexure I forming part of Directors' Report
Form No.MGT-9**

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2019 {Pursuant to Section 92(3) of the companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration Rules, 2014)}

I.REGISTRATION AND OTHER DETAILS

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

II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| Sr, | Name and Description of main products /services | NIC Code of the product /service | % to total turnover of the company |
|-----|---|----------------------------------|------------------------------------|
| 1 | Paper and paper Board | 17021 | 100 |

III.PARTICULARS OF HOLDING .SUBSIDIARY AND ASSOCIATE COMPANIES

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

IV.SHAREHOLDING PATTERN (Equity Share capital break up as % to total Equity)

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | Change during the year | |
|---|---|---------------|-----------------|-------------------|---|---------------|-----------------|-------------------|------------------------|---------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | In Qty | In % |
| A. Promoters | | | | | | | | | | |
| (1) Indian | | | | | | | | | | |
| a) Individual/HUF | - | 771 | 771 | 0.01 | - | 771 | 771 | 0.01 | - | - |
| b) Central Govt.or State Govt. | | | | | | | | | | |
| c) Bodies Corporate | 7299055 | 54344 | 7353399 | 81.70 | 7299249 | 54150 | 7353399 | 81.70 | - | - |
| d) Bank/FI | | | | | | | | | | |
| e) Any other | | | | | | | | | | |
| SUB TOTAL:(A) (1) | 7299055 | 55115 | 7354170 | 81.71 | 7299249 | 54921 | 7354170 | 81.71 | - | - |
| (2) Foreign | | | | | | | | | | |
| a) NRI- Individuals | | | | | | | | | | |
| b) Other Individuals | | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | | |
| d) Banks/FI | | | | | | | | | | |
| e) Any other... | | | | | | | | | | |
| SUB TOTAL (A) (2) | | | | | | | | | | |
| Total Shareholding of Promoter (A)= (A)(1)+(A)(2) | 7299055 | 55115 | 7354170 | 81.71 | 7299249 | 54921 | 7354170 | 81.71 | - | - |
| B. PUBLIC SHAREHOLDING | | | | | | | | | | |
| (1) Institutions | | | | | | | | | | |
| a) Mutual Funds | - | 3928 | 3928 | 0.04 | - | 3928 | 3928 | 0.04 | - | - |
| b) Banks/FI | 770396 | 11785 | 782181 | 8.69 | 103730 | 11785 | 115515 | 1.28 | (666666) | (7.41) |
| C) Cenntralgovt | | | | | | | | | | |
| d) State Govt. | | | | | | | | | | |
| e) Venture Capital Fund | | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | | |
| g) FIIS | | | | | | | | | | |
| h) Foreign Venture Capital Funds | | | | | | | | | | |
| i) Others (specify) | | | | | | | | | | |
| SUB TOTAL (B)(1): | 770396 | 15713 | 786109 | 8.73 | 103730 | 15713 | 119443 | 1.33 | (666666) | (7.41) |
| (2) Non Institutions | | | | | | | | | | |
| a) Bodies corporate | 121938 | 5992 | 127930 | 1.42 | 810311 | 5992 | 816303 | 9.07 | 688373 | 7.65 |
| i) Indian | - | - | - | - | - | - | - | - | - | - |
| ii) Overseas | | | | | | | | | | |
| b) Individuals | | | | | | | | | | |
| i) Individual shareholders holding nominal share capital up to Rs.2 lakhs | 596804 | 119180 | 715984 | 7.96 | 535508 | 116856 | 652364 | 7.25 | (63620) | (0.71) |
| ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs | - | - | - | - | 42493 | - | 42493 | 0.47 | 42493 | 0.47 |
| c) Others (specify) | | | | | | | | | | |
| i) Trust | - | - | - | - | - | - | - | - | - | - |
| ii) Clearing member | 7312 | - | 7312 | 0.08 | 1959 | - | 1959 | 0.02 | (5353) | (0.06) |
| iii) N R I | 2250 | 3904 | 6154 | 0.07 | 7023 | 3904 | 10927 | 0.12 | 4773 | 0.06 |
| iv) Employee | - | 2341 | 2341 | 0.03 | - | 2341 | 2341 | 0.03 | - | - |
| SUB TOTAL (B)(2): | 728304 | 131417 | 859721 | 7.91 | 1397294 | 129093 | 1526387 | 16.95 | 666666 | 9.04 |
| Total Public Shareholding (B)= (B)(1)+(B)(2) | 1498700 | 147130 | 1645830 | 18.29 | 1501024 | 144806 | 1645830 | 18.29 | - | - |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | | |
| Grand Total (A+B+C) | 8797755 | 202245 | 90000000 | 100.00 | 8800273 | 199727 | 90000000 | 100.00 | - | - |

(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 | .060 | - | 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 | - | 35000 | 0.39 | - | - |
| 12.Akash Farms Pvt. Ltd | 2382027 | 22.24 | - | 2382027 | 22.24 | - | - |
| 13.Ashu Farms Pvt Ltd | 2880391 | 32.00 | - | 2880391 | 32.00 | - | - |
| 14.Tapovan Paper and Board Mills Ltd | 2000000 | 22.22 | - | 2000000 | 22.22 | - | - |
| Total | 7354170 | 81.71 | - | 7354170 | 81.71 | - | - |

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

| | No of Shares | % Holding |
|--------------------------|--------------|-----------|
| At the beginning of year | 7354170 | 81.71 |
| 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 01.04.2018 | % holding | No of shares held as on 31.03.2019 | % holding |
|--------|--|-------------------------------------|-----------|------------------------------------|-----------|
| 1 | Wexford Trading CpPvt Ltd | 666666 | 7.41 | 666666 | 7.41 |
| 2 | Life Insurance Corporation of India | 53,728 | 0.60 | 53,728 | 0.60 |
| 3 | State Bank of India | 50,000 | 0.56 | 50,000 | 0.56 |
| 4 | Mahesh Kanubhai Patel | - | - | 41343 | 0.46 |
| 5 | Adesh Venture LLP | - | - | 21578 | 0.24 |
| 6 | Trysis on the Net Pvt Ltd | - | - | 19710 | 0.22 |
| 7 | MadarPathery | - | - | 18017 | 0.20 |
| 8 | Satish Kumar Gupta | - | - | 13100 | 0.15 |
| 9 | RaasiSyntherics and Chemicals Ltd | - | - | 14500 | 0.16 |
| 10 | Rajiv Kumar Maheshwari | 26259 | 0.29 | 9172 | 0.10 |
| 11 | Manish Jain | 5010 | 0.06 | - | - |
| 12 | SunitaLaxminarayan Attal | 5287 | 0.06 | - | - |
| 13 | Laxminarayan Attal | 2643 | 0.03 | - | - |
| 14 | DilipHundrajmalUkey | 8778 | 0.10 | - | - |
| 15 | Maya RameshwarUkey | 3925 | 0.04 | - | - |
| 16 | Industrial Credit & Investment Corporation of India Ltd. | 8547 | 0.09 | - | - |

(e) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

| Name | Beginning of the Year | | During the year | |
|--------------------|-----------------------|--------------------------------------|-----------------|--------------------------------------|
| | No. of shares | % of the total shares of the Company | No. of shares | % of the total shares of the Company |
| Akash Kagliwal | 2 | 0.00 | 2 | 0.00 |
| Ashu Jain | 2 | 0.00 | 2 | 0.00 |
| JeevanlataKagliwal | 67 | 0.00 | 67 | 0.00 |

V.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 |
|--|----------------------------------|-----------------|----------|-----------|
| Indebtness at the Beginning of the financial Year | | | | |
| 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 |
| Changes during financial year | | | | |
| Addition | 507.22 | - | - | 507.22 |
| (Reduction) | (2031.70) | - | - | (2031.70) |
| Net Change | (1524.48) | - | - | (1524.48) |
| Indebtness at the end of the Financial year | | | | |
| i)Principal Amount | - | - | - | - |
| ii)Interest due but not paid | 39.47 | - | - | 39.47 |
| iii)Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 39.47 | - | - | 39.47 |

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

| Sr. No. | Particulars of remuneration | Amount Rs |
|---------|--|-----------|
| 1 | Akash Kagliwal (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 | 27,60,000 |
| | Total A | 27,60,000 |

Remuneration to other directors

| Sr.No. | Particulars of Remuneration | Amount Rs |
|--------|---|-----------|
| 1 | ShrirangShrikishan Agarwal Non executive Independent Director Fee for attending board , committee meetings | 25,000 |
| | Total -1 | 25,000 |
| 2 | Om Prakash Sharma Other Non-executive Director Fee for attending board , committee meetings | 25,000 |
| | Total -2 | 25,000 |
| 3 | Mrs. Ashu Jain Other Non-executive women Director Fee for attending board , committee meetings | 25,000 |
| | Total -3 | 25,000 |
| 4 | JeevanlataKagliwala Other Non executiveDirector Fee for attending board meetings | Nil |
| | Total-4 | Nil |
| | Grand Total 1 to 4 | 75,000 |

Remuneration to Key Managerial Personnel other than MD/Manager /WTD

| Sr. No. | Particulars of Remuneration | Amount Rs |
|----------------|--|------------------|
| 1 | Vijay Saboo, CFO | 2,843,664 |
| | Total | 2,843,664 |
| 2 | Bhushan Puranik Company Secretary upto 15-12-2018 | 133,332 |
| | Total | 133,332 |
| 3 | Sushant Kulkarni Company Secretary 15 Dec-18 to onward | 60,919 |
| | Total | 60,919 |

VII.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 31st March, 2019 comprises Five 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 | - | 3 | - | - |
| Mr. Omprakash Sharma | Non-Executive & Independent | 3 | - | - | - |
| Mrs. Jeevanlata Kagliwal | Non-Executive Director | 4 | 9 | - | - |
| Mr. Shirang Agrawal | Non-Executive & Independent | 8 | 3 | 2 | - |

Meeting and Attendance record of each Director

During the year ended 31st March 2019, six meetings of the Board were held on the following date:

(1) 30-05-2018 (2) 30-07-2018 (3) 31-08-2018 (4) 31-10-2018 (5) 31-01-2019 (6) 25.03.2019

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 | 5 | Yes |
| Mrs. Ashu Jain | 5 | Yes |
| Mr. Omprakash Sharma | 6 | Yes |
| Mrs. Jeevanlata Kagliwal | - | No |
| Mr. Shirang Agrawal | 6 | Yes |

3. Audit Committee

The Audit Committee met five times during the year ended 31st March 2019 on

(1) 31st May 2018 (2) 30th Jul 2018 (3) 31st Aug 2018 (4) 31st Oct 2018
(5) 31st Jan 2019

The Constitution of the committee as at 31.03.2019 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 CEO.

The Role 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.

Review of information by Audit Committee:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
- Management letters / letters of internal control weaknesses issued by the statutory auditors.
- Internal audit reports relating to internal control weaknesses.
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

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-Executive women Director | 25,000 |
| Mr. Om Prakash Sharma | Non-Executive Independent | 25,000 |
| Mr. S.S.Agarwal | Non-Executive Independent | 25,000 |
| Mrs Jeevanlata Kagliwal | Non-Executive Director | Nil |

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 | 2760000 |

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) 30st May 2018 (2) 30th Jul 2018 (3) 31st Oct 2018 (4) 31st Jan 2019

During the year ended 31st March, 2019. The Constitution of the committee as on 31.03.2018 is given below:

| Name | Status | Meeting attended |
|---------------------|---------------|------------------|
| Mr.Akash Kagliwal | Executive | 5 |
| Mr. Shirang Agrawal | 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, 2019.

Compliance officer

Mr. Sushant Kulkarni-Company Secretary

Nath Pulp & Paper Mills Limited
NathHouse,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 | 7 |
| No. of complaints solved to the satisfaction of the Shareholders | 7 |
| No. of pending complaints | Nil |

6. Annual General Meetings

| Meeting | Day and Date | Time | Place |
|---|----------------------------------|-------|-----------------------------------|
| 43 rd Annual General Meeting 2017-18 | Friday 28 th Sep 2018 | 02PM | Nath House, Nath Road, Aurangabad |
| 42 nd Annual General Meeting 2016-17 | Friday 29 th Sep 2017 | 11 AM | Nath House, Nath Road, Aurangabad |
| 41 st Annual General Meeting 2015-16 | Friday 30 th Sep 2016 | 11 AM | Nath House, Nath Road, Aurangabad |

During the year 2018-19 no resolution has been passed through Postal Ballot. Presently there is no proposal to pass any Special Resolution by postal ballot.

7. Extraordinary General Meeting:

The Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble Tribunal' or 'NCLT') has passed order on 23.08.2018 and directed a meeting to be held of equity Shareholders on 09.10.2018 for the purpose of considering, and, if thought fit, approving, with or without modification, the proposed Scheme of Arrangement and Amalgamation between Nath Pulp and Paper Mills Limited and Nath Industrial Chemicals Limited and Rama Pulp and Papers Limited and their respective Shareholders as per the provisions of Section 230 to 232 and other relevant provisions of the Companies Act, 2013. The Scheme was passed with requisite majority by Equity Shareholders of the Company in the said meeting.

8. Disclosure of material transactions and penalties to the Board

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

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

9. Means of Communication

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

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

10. General Shareholders Information

(a) Annual General Meeting

| | |
|----------------|--|
| Date and time | 30 th September, 2019 At 02.00 P.M. |
| Venue | Nath House, Paithan Road Aurangabad |
| Pin | 431005 |
| Financial Year | 2018-2019 |

(b) Book Closure

The register of the shareholders of the Company will remain closed on 27th Sept 2019 to 29th Sept 2019, both days inclusive

(c) Financial Calendar (tentative)

| | |
|--|----------------------------------|
| Financial reporting for the quarter ending 30th June ,2019 | by 15 th Aug 2019 |
| Financial reporting for the quarter ending 30th September , 2019 | by 31 st October 2019 |
| Financial Reporting for the quarter ending 31st December , 2019 | by 31 st January 2020 |
| Financial reporting for the quarter ending 31st March 2020 | by 31 st May 2020 |
| Annual General meeting for the year ending 31 st March 2020 | by 30 th Sept 2020 |

(d) 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 2018-19. Scrip code 502407 BSE ISIN No. INE776A01017

(e) Stock Market Price Data

| Month | High Price | Low Price | Month | High | Low |
|----------|------------|-----------|----------|-------|-------|
| Apr-2018 | 54.00 | 41.00 | Oct-2018 | 70.00 | 50.35 |
| May-2018 | 49.00 | 36.00 | Nov-2019 | 82.40 | 59.10 |
| Jun-2018 | 45.00 | 32.00 | Dec-2018 | 85.00 | 67.00 |
| Jul-2018 | 53.90 | 36.20 | Jan-2019 | 92.00 | 63.10 |
| Aug-2018 | 74.00 | 42.00 | Feb-2019 | 76.95 | 51.50 |
| Sep-2018 | 88.40 | 51.00 | Mar-2019 | 71.50 | 60.00 |

Source-BSE web site: www.bseindia.com

(f) Category of Shareholders as on 31.03.2019

| Category | No. of Shares (Issued equity) | Percentage |
|--|-------------------------------|---------------|
| Promoters | 7354170 | 81.71 |
| Indian Financial Institutions / Banks / Mutual Funds | 119443 | 1.33 |
| Foreign Institutional Investors /NRIS' | 10927 | 0.06 |
| Others | 1515460 | 16.90 |
| Total | 9000000 | 100.00 |

(g) 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 31.03.2019 is as follows:

| | |
|---------------------------------|---------|
| Shares in Demat mode with NSDL: | 7844554 |
| Shares in Demat mode with CDSL: | 955719 |
| Shares in physical mode : | 199727 |

(h) Address for Investor Correspondence

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

(i) 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 in Chapter IV of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges, is attached to this Report.

(j) CEO and CFO Certification

The Executive Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) read with Part B of Schedule II of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. The annual certificate given by the Executive Director and the Chief Financial Officer is attached to this Report.

(k) Compliance with Code of Conduct

As Stipulated under the provisions of Regulation 34(3) read with Part D of Schedule V of SEBI (Listing obligations and disclosure requirements) Regulations, 2015, all the Directors and the designated personnel in the Senior Management of the Company have affirmed compliance with the said code for the financial year ended on March 31, 2019.

For and on behalf of the Board

**Place: Aurangabad
Date: 31st August 2019**

**Ashu Jain
Director
DIN No: 00243310**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

1. We have examined the compliance of conditions of Corporate Governance by Nath Pulp & Papers Limited ("The Company"), for the year ended on 31st March, 2019 as stipulated in Chapter IV of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.
2. 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 of the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with Stock Exchanges.
4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For Gautam N Associates
Chartered Accountants
FRN 103117W

Place: Aurangabad

Date: 30/05/2019

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 31st March 2019 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: 31st August, 2019**

**Akash Kagliwal
Chief Executive Officer**

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, CEO 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 31st March, 2019.

For an on behalf of the Board of Directors

**Place: Aurangabad
Dated 31st August, 2019**

**Akash Kagliwal
Chief Executive Officer**

Annexure III to Directors' Report
Management Discussion and Analysis Report

Industry Structure and Development:

The Indian paper industry accounts for about 3.7% of the world's production of paper. The estimated turnover of the industry is INR 60,000 crore (USD 8.5 billion approximately) and its contribution to the exchequer is around INR 4,500 crore. The industry provides employment to more than 0.5 million people directly and 1.5 million people indirectly.

Most of the paper mills are in existence for a long time and hence present technologies fall in a wide spectrum ranging from oldest to the most modern. The mills use a variety of raw material viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc. In terms of share in total production, approximately 25% are based on wood, 58% on recycled fibre and 17% on agro-residues. The geographical spread of the industry as well as market is mainly responsible for regional balance of production and consumption.

The per capita paper consumption in India at a little over 13 kg is way behind the global average of 57 kg.

India is the fastest growing market for paper globally and it presents an exciting scenario; paper consumption is poised for a big leap forward in sync with the economic growth. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one kg per capita would lead to an increase in demand of 1 million tonnes.

Growing e-commerce space and increasing presence of the FMCG and packaged food industries contributed to the growth in the sector. The demand drivers also include 1) rising income levels, 2) growing per capita expenditure, 3) rapid urbanisation and 4) a larger proportion of earning population that is expected to lead consumption.

The Chinese Government restricting the import of significant levels of recovered (waste) paper due to environmental concerns has resulted in a decline in global recovered paper prices. This has benefitted domestic manufacturers like us who use recovered paper /pulp as a key raw material.

The global paper and paper products industry had been witnessing flat demand conditions due to 1) Rising digital penetration and 2) Weakness in the global economy. The global investment cycle has turned due to 1) Mill closures and 2) Restrictions by Chinese government on imports of low grade recovered paper.

Some of the immediate major areas of concern for the domestic paper and paper products industry include 1) Scarcity of pulpwood, 2) rising pulpwood prices, 3) poor wastepaper collection and recovery mechanism in the country, 4) rising imports under Free Trade Agreements (FTAs) and 5) outdated technology especially in the smaller mills, while a longer term challenge includes a shift to digital, which could potentially reduce paper consumption. The industry has been attempting to mitigate these challenges through rising social forestry plantation, increasing wastepaper collection mechanism and implementing effective cost control measures.

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 Rs14545.53 Lacs. Net profit after adjustment of deferred tax (Income)/Expenses and Exceptional Items stood at Rs 562.75 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 also installed Microsoft based ERP system "PAPERBIZ". The ERP system will help to further improve the internal control system of the company.

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

**Ashu Jain
Director
DIN No: 00243310**

**Place: Aurangabad
Date: 31st August, 2019**

Annexure IV

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(2) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- (i) The percentage increased in remuneration of each directors, chief financial Officer and company Secretary during the financial year 2018-19, ratio of the remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

| Sr. | Name of Director/KMP and Designation | Remuneration of Director/KMP for F.Y.2018-19 (in Lakhs) | % increase in Remuneration in the F.Y. 2018-19 | Ratio of Remuneration of each Director/to median remuneration of employees |
|-----|---|---|--|--|
| 1 | Mrs. Ashu Jain ,Director | NIL | NA | NA |
| 2 | Mrs. Jeevanlata kagliwal,Director | NIL | NIL | NA |
| 3 | Mr. Omprakash Sharma,Director | NIL | NA | NA |
| 4 | Mr. Shrirang Agarwal ,Director | NIL | NA | NA |
| 5 | Mr. Akash Kagliwal , CEO | 27.60 | 9.37% | NA |
| 6 | Mr. Vijay Saboo, CFO | 28.44 | 3.72% | NA |
| 7 | Mr. Bhushan Puranik , Company Secretary | 1.33 | 0.00% | NA |
| 8 | Mr. Sushant Kulkarni, Company Secretary | 0.61 | 0.00% | NA |

Annexure V

RISK MANAGEMENT POLICY

The Company Nath Pulp & Paper Mills Limited is required to adhere to the regulations made both by the Companies Act, 2013 and Listing Agreement governed by the Securities and Exchange Board of India (SEBI). Where any stipulation is common between the regulations more stringent of the two shall be complied with.

This Policy has been implemented by the Company w.e.f. 30.04.2016.

The Board of Directors of Nath Pulp & Paper Mills Limited has adopted the following policy and procedures with regard to risk management policy. It shall be attached to financial statements laid before a company in general meeting, a report by its Board of Directors, which shall include a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company as per the provisions of Section 134(3) (a) of companies Act, 2013.

The purpose of the risk management policy shall be to assist the Board with regard to the identification evaluation and mitigation of operational, strategic and external environment risks. Pursuant to provisions of Section 177(4) and other applicable provisions of Companies Act, 2013 the Audit Committee has overall responsibility for monitoring and approving the risk policies and associated practices of the Company.

The Board & Audit committee is responsible for reviewing and approving risk disclosure statement in any public documents or disclosures.

The Members of Audit committee and senior executives of the company shall have free access to management and management information. The members of the Committee at their sole authority, may seek the advice of outside experts or consultants where judged necessary.

The risk management policy will cover the following areas:

1. Assessment of the Company's risk profile and key areas of risk in particular.
2. Recommending to the Board and adopting risk assessment and rating procedures.
3. Examining and determining the sufficiency of the Company's internal processes for reporting on and managing key risk areas.
4. Assessing and recommending to the Board acceptable levels of risk.
5. Development and implementation of a risk management framework and internal control system. On an annual basis, agreeing with the Audit Committee which aspect of the internal audit are non-financial aspects to be monitored. In relation to the non-financial aspects of the internal audit the committee to:
 - Monitor the progress of the Company's auditors against the audit plan.
 - Review all relevant representation letters signed by management.
 - Discuss the results of the internal audit with the Company's auditors; inquiring if there have been any significant disagreements between management and the Company's auditors, and monitoring management's response to the Company's auditors recommendations that are adopted.
 - Initiate and monitoring special investigation into areas of corporate risk and break-downs in internal control.
 - Review the nature and level of insurance coverage.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT for the financial year ended 31st March, 2019

[Pursuant to section 204(1) of The Companies Act, 2013 and the Rule no. 9 of the Companies (Appointment and Remuneration Personnel Rules, 2014) and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended]

TO,
THE MEMBERS,
NATH PULP AND PAPER MILLS LIMITED
NATH HOUSE, NATH ROAD, AURANGABAD
CIN L21100MH1975PLC018289

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 bearing CIN L21100MH1975PLC018289, ('the Company'). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 (Audit Period) generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of –

1. The Companies Act, 2013 (the Act) and the rules made there under including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
4. The Foreign Exchange Management Act, 1999 (FEMA) and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB) – **(Not applicable to the Company during the Audit Period)**;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 & 2015
 - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **Not applicable as the company has not issued any further capital under the regulations during the financial year under review**
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
 - f. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; - **Not applicable as the company has not granted any options to its employees during the financial year under review**
 - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; -

Not applicable as the company has not issued any debt securities during the financial year under review

- h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not applicable as the company has not delisted its equity shares from any stock exchange during the financial year under review**
- i. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable as the company has not bought back any of its securities during the financial year under review**
- j. The Company has complied with the provisions of the SEBI (Depositories and Participants) Regulations, 1996 including submitting of Reconciliation of Share Capital Audit Reports
- k. 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; and
- l. The Memorandum and Articles of Association.

I have also examined compliance with the applicable clauses of the following:-

- a) Applicable Clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The listing Agreement entered into by the company with BSE Limited and NSC Limited.

The company has identified the following laws as specifically applicable to the company;

- Interest (SARFAESI) Act, 2002
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security
- The Factories Act, 1948
- The Minimum Wages Act, 1948
- The Employee Provident Fund and Miscellaneous Provisions Act, 1952
- The Payment of Bonus Act, 1965
- The Payment of Gratuity Act, 1972
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Maternity Benefits Act, 1961
- The Income Tax Act, 1961
- The Maharashtra Value Added Tax, 2002
- The Central Excise Act, 1944
- The Customs Act, 1962
- The Finance Act, 1994 (Service Tax as amended)
- The Central Sales Tax Act, 1956
- The Water Prevention and Control of Pollution Act, 1978.
- Goods and Services Tax Act 2017

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

1. The company has filed MGT 7 for the financial year 2017-2018 on 05.06.2019 and AOC 4 XBRL for the financial year 2017-2018 on 31.05.2019.

I further report that:

1. The board of directors of the company is duly constituted with proper balance of Executive directors, Non-executive directors, independent directors and women director.
2. Adequate notice is given to all directors to schedule the Board/ Committee Meetings, agenda and detailed notes on agenda were sent generally seven days in advance.
3. 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.
4. The status of the company during the financial year under review has been that of Listed Public Company.

5. The company has not been a holding or subsidiary of another company. The company has not been a government company or a financial company.
6. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
7. Majority decision is carried through while the dissenting member's views are captured and recorded as part of the Minutes of Meeting.
8. 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;
9. As Per the SEBI Guidelines, The Registry and Share Transfer Activity is being handled by M/s Big Share Services Private Limited.
10. The company has proper board process.
11. The Company has obtained all necessary approvals under the various provisions of the Act; and
12. There was no prosecution initiated and no fines or penalties are 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.

I further report that compliance of applicable financial laws including Direct and Indirect tax laws and financial statements prepared by the company has not been reviewed in this Audit since the same has been subject to review by the Statutory auditor and other designated professionals.

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.

Neha P Agrawal
Practicing Company Secretary
FCS No 7350 & CP No 8048

Date: - 31.08.2019
Place: - Aurangabad

Note: - This report is to be read with my letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

“ANNEXURE A”

**TO,
THE MEMBERS,
NATH PULP AND PAPER MILLS LIMITED
NATH HOUSE, NATH ROAD, AURANGABAD
CIN L21100MH1975PLC018289**

My Secretarial audit report of even date is to be read along with this letter:

Management’s responsibility:-

1. It is the responsibility of management of the company to maintain Secretarial records, devise proper systems to ensure compliance with the provisions of applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records based on my audit.
2. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis

Auditor’s responsibility:-

1. 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
2. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
3. I believe that audit evidence and information obtained from the company’s management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:-

5. The secretarial audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Neha P Agrawal
Practicing Company Secretary
FCS No 7350 & CP No 8048

Date: - 31.08.2019
Place: - Aurangabad

Independent Auditors' Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Nath Pulp and Paper Limited having CIN: L21100MH1975PLC018289 ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Cash Flows and Statement of Changes in Equity for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019 and its profit (financial performance including other comprehensive income), the changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Qualification

4. 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 13.

Had this observation made by us been considered the Profit for the year would have been Rs 21,51,98,853 (as against reported profit figure of Rs. 5,62,59,060), Non- Current Financial Liabilities - Borrowings would have been Rs. 46,81,53,200 (as against reported figure of Rs.30,93,09,099).

5. We are unable to express an opinion regarding reversal of Deferred Tax Assets recognized in the financial statements to the extent of Rs.18,70,26,862, 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.

Key Audit Matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

We have determined that there are no key audit matters to be communicated in our report.

Information other than the Standalone Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - a. Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - b. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing

our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - e. Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Report on Other Legal and Regulatory Requirements

16. 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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended :

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Gautam N Associates
Chartered Accountants
FRN: 103117W

Gautam Nandawat
Partner
M No: 32742
Place: Aurangabad
Dated: 30.05.2019

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 2019, 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. As per the information and explanations given to us, the Company has not granted unsecured loans to any party covered 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 of 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.
- (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. | 5,17,535 21,97,260 | 2007-2008 2011-2012 |
| Excise Duty | Customs, Excise & Service Tax Appellate Tribunal Mumbai. | 30,74,508 | 2006-2007 |
| Excise Duty | Commissioner of Central Excise (Appeal) Nagpur | 14,78,546 | July 2012- March 2015 |
| Excise Duty | Commissioner of Central Excise Aurangabad | 74,36,435 | 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. 17 & Note No.44.
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: 30.05.2019

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls over financial reporting 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 31st March, 2019 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 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 of the company.

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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the 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 31st March, 2019, 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: 30.05.2019

Balance Sheet As at March, 31st 2019

| Particulars | Note No | As at 31 st March, 2019 (Rupees) | As at 31 st March, 2018 (Rupees) |
|--|---------|--|--|
| Assets | | | |
| i) Non- Current Assets | | | |
| a) Property, Plant and Equipment | 2 | 54,01,86,955 | 51,58,80,191 |
| b) Others | 3 | 3,97,03,418 | 4,38,76,101 |
| c) Deferred Tax Assets (Net) | 4 | 18,70,26,862 | 18,88,25,520 |
| d) Other Non-current Asset | 5 | 8,91,26,011 | 4,57,24,510 |
| | | 85,60,43,246 | 79,43,06,322 |
| ii) Current Assets | | | |
| a) Inventories | 6 | 15,16,35,569 | 12,42,32,701 |
| b) Financial Assets | | | |
| i) Trade Receivable | 7 | 17,96,91,489 | 14,92,58,841 |
| ii) Cash and Cash Equivalents | 8 | 1,03,05,275 | 80,95,859 |
| iii) Others | 9 | 3,74,61,503 | 7,79,53,669 |
| iv) Other Current Assets | 10 | 41,13,276 | 51,91,305 |
| | | 38,32,07,112 | 36,47,32,376 |
| Total Assets | | 123,92,50,358 | 115,90,38,697 |
| Equity and Liabilities | | | |
| Equity | | | |
| a) Equity Share Capital | 11 | 9,00,00,000 | 9,00,00,000 |
| b) Other Equity | 12 | 23,09,67,073 | 17,46,91,321 |
| | | 32,09,67,073 | 26,46,91,321 |
| Liabilities | | | |
| I) Non-current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Borrowings | 13 | 30,93,09,099 | 27,03,40,873 |
| ii) Provisions | 14 | 2,34,16,641 | 2,14,59,319 |
| | | 33,27,25,740 | 29,18,00,192 |
| II) Current Liabilities | | | |
| a) Financial Liabilities | | | |
| i) Borrowings | 15 | 36,69,63,763 | 39,76,86,976 |
| ii) Trade Payables | 16 | 17,70,81,085 | 16,91,06,854 |
| b) Current Liabilities | 17 | 3,26,34,224 | 2,88,71,423 |
| c) Provisions | 18 | 8,8,78,473 | 68,81,931 |
| | | 58,55,57,545 | 60,25,47,184 |
| Total Equity and Liabilities | | 1,23,92,50,358 | 1,15,90,38,697 |
| The accompanying Notes are an integral part of these Financial Statements. | 1 | | |

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: 30.05.2019

Ashu Jain
Director
DIN No 00243310

Jeevanlata Kagliwal
Director
DIN 02057459

Statement of Profit and Loss for the year ended March 31st, 2019

| Particulars | Note No | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|---|---------|---|---|
| Revenue from Operations | 19 | 1,44,22,86,676 | 1,10,48,51,982 |
| Other Income | 20 | 1,22,66,387 | 3,19,41,059 |
| Total Revenue | | 1,45,45,53,063 | 1,14,01,18,672 |
| Expenses | | | |
| Cost of Materials Consumed | 21 | 90,17,81,678 | 77,93,61,580 |
| Changes in Inventories of Finished Goods and Work-in- Progress | 22 | (38,86,974) | (1,39,10,962) |
| Employee Benefits Expense | 23 | 6,13,03,200 | 5,50,97,448 |
| Finance Costs | 24 | 8,83,57,498 | 6,17,27,643 |
| Depreciation Expense | 2 | 85,76,844 | 67,77,315 |
| Other Expenses | 25 | 33,68,70,315 | 24,22,30,174 |
| Total Expenses | | 1,39,30,02,561 | 1,13,12,83,197 |
| Profit before tax | | 6,15,50,502 | 88,35,474 |
| Tax Expense | | | |
| Income Tax | | | |
| - Current Year | | - | - |
| - Earlier Years | | - | - |
| Deferred Tax Charge | 4 | 17,98,658 | 70,81,533 |
| Profit for the Year | | 5,97,51,844 | 17,53,941 |
| Other Comprehensive Income | | | |
| A. (i) Items that will not be reclassified to Profit and Loss | | | |
| (a) Provision for Gratuity | | 34,76,092 | - |
| 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 | | - | - |
| | | 34,76,092 | - |
| Total Comprehensive Income | | 5,62,75,752 | 17,53,941 |
| Earnings Per Equity Share [Nominal Value Per Share Rs 10 Previous year Rs 10 | | | |
| Basic | | 6.25 | 0.19 |
| Diluted | | 6.25 | 0.19 |
| 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: 30.05.2019

For and on behalf of the Board of Directors

Ashu Jain
Director
DIN No 00243310

Jeevanlata Kagliwal
Director
DIN 02057459

Cash Flow Statement for the year ended 31st March, 2019

| Particulars | For the Year Ended 31 st March, 2019 | | For the Year Ended 31 st March, 2018 | |
|--|--|----------------------|--|----------------------|
| A) Cash Flow from operating activities | | | | |
| Net Profit / (Loss) before Tax | | 6,15,50,502 | | 88,35,474 |
| Adjustment For | | | | |
| Depreciation and Amortisation | 85,76,844 | | 67,77,315 | |
| Finance Cost | 8,83,57,498 | | 6,17,27,643 | |
| Interest Income | - | | (6,63,027) | |
| Liabilities/ Provision no longer written back | (82,45,283) | | (38,29,795) | |
| Provision for doubtful trade and other receivable | (25,000) | | 35,19,370 | |
| Other Non cash Charges (Gratuity, Leave & Bonus) | 39,12,324 | | (33,59,677) | |
| Other Comprehensive Income -Provision for Gratuity | 34,76,092 | 8,91,00,291 | - | 6,41,71,829 |
| Operating Profit / (Loss) before working capital change | | 15,06,50,793 | | 7,30,07,303 |
| Change in working capital | | | | |
| Adjustment for (Increase)/ decrease In operating assets: | | | | |
| Inventories | (2,74,02,868) | | (4,73,92,237) | |
| Trade Receivable | (3,04,07,648) | | (1,58,47,332) | |
| Short Term Loans & Advances | 4,04,92,165 | | (5,66,26,120) | |
| Other Current Assets | 10,78,029 | | (16,48,767) | |
| Long Term Loans and Advances | 41,72,683 | | (34,72,759) | |
| Other Non-current assets | (4,34,01,501) | | - | |
| Adjustment for Increase / (decrease) in operating liabilities | | | | |
| Trade Payable | 1,62,19,515 | | 1,35,37,338 | |
| Other Current Liabilities | 37,62,801 | | (41,78,579) | |
| Short-term Provisions | 41,540 | | 2,54,707 | |
| Long-term Provisions | - | (3,54,45,284) | - | (11,53,73,750) |
| Net cash flow from / (used in) Operating activities (A) | | 11,52,05,510 | | (4,23,66,446) |
| B) Cash flow from investing activities | | | | |
| Capital expenditure on fixed assets, including capital advances | (3,28,83,608) | | (30,37,398) | |
| Interest Received | | | | |
| Other | - | (3,28,83,608) | 6,63,027 | (23,74,371) |
| Net cash flow from / (used in) investing activities (B) | | (3,28,83,608) | | (23,74,371) |
| C. Cash flow from financing activities | | | | |
| Proceed from long-term borrowings | 3,89,68,226 | | 4,48,24,027 | |
| Proceed from short-term borrowings | 12,17,25,074 | | 18,47,72,293 | |
| Repayment of other short-term borrowings | (15,24,48,287) | | (11,75,51,713) | |
| Finance cost | (8,83,57,498) | (8,01,12,485) | (6,17,27,643) | 5,03,16,964 |
| Net cash flow from / (used in) financing activities (c) | | (8,01,12,485) | | 5,03,16,964 |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C) | | 22,09,417 | | 55,76,147 |
| Cash and cash equivalents at the beginning of the year | | 80,95,859 | | 25,19,713 |
| Cash and cash equivalents at the end of the year | | 1,03,05,275 | | 80,95,859 |
| Comprises: Cash and Cash Equivalents | | | | |
| Cash | 2,69,507 | | 1,24,787 | |
| Balance with banks in current accounts | 1,00,35,768 | 1,03,05,275 | 79,71,072 | 80,95,859 |

In terms of our report attached:
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: 30.05.2019

Ashu Jain
Director
DIN No 0243310

Jeevanlata Kagliwal
Director
DIN 02057459

Statement of changes in Equity

A. Equity

| Particulars | As at March, 31 st 2019 | As at March, 31 st 2018 |
|--------------------------------------|------------------------------------|------------------------------------|
| Balance of the beginning of the year | 9,00,00,000 | 9,00,00,000 |
| Share Issued under QIP | - | - |
| Shares bought back during the year | - | - |
| Balance at the end of the year | 9,00,00,000 | 9,00,00,000 |

Statement of Changes in Other Equity for financial year ended on March 31st, 2019

| Particulars | Reserves and Surplus 31-03-2019 | |
|--|---------------------------------|---------------------|
| | Retained earning | Total |
| Balance at the beginning of the year 01.04.2018 | 17,46,91,321 | 17,46,91,321 |
| Changes in the accounting policies of prior period errors | - | - |
| Restated balance at the beginning of the year | 17,46,91,321 | 17,46,91,321 |
| Additions during the Year | 5,62,75,752 | 5,62,75,752 |
| Total Comprehensive Income for the year | 23,09,67,076 | 23,09,67,076 |
| Dividends | - | - |
| Transfer to Depreciation | - | - |
| Balance at the end of the reporting period 31.03.2019 | 23,09,67,073 | 23,09,67,073 |

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

| Particulars | Reserves and Surplus 31-03-2018 | |
|--|---------------------------------|---------------------|
| | Retained earning | Total |
| Balance at the beginning of the year 01.04.2017 | 17,29,37,380 | 17,29,37,380 |
| Changes in the accounting policies of prior period errors | - | - |
| Restated balance at the beginning of the year | 17,29,37,380 | 17,29,37,380 |
| Additions during the Year | 17,53,941 | 17,53,941 |
| Total Comprehensive Income for the year | 17,46,91,321 | 17,46,91,321 |
| Dividends | - | - |
| Transfer to Depreciation | - | - |
| Balance at the end of the reporting period 31.03.2018 | 17,46,91,321 | 17,46,91,321 |

In terms of our report of even date.

For Gautam N Associates
FRN No 103117W

Gautam Nandawat
Partner
M.No. 032742
Place Aurangabad
Date: 30.05.2019

For and on behalf of the Board of Directors

Ashu Jain
Director
DIN No 00243310

Jeevanlata Kagliwal
Director
DIN 02057459

NOTE NO.1:**Notes to Financial Statements for the year ended March 31, 2019****A. 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, TqPaithan, Dist Aurangabad (MS).

The financial statement for the year ended 31st March 2019 are approved by the Board of Directors and authorized for issue on 30th May 2019.

B. SIGNIFICANT ACCOUNTING POLICIES**(a) 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
- 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

(b) Revenue Recognition**(i) Products**

Revenue from sale of goods is recognized when significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Sales are net of sales returns, trade discounts, Good and Service Tax (GST).

(ii) Services

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

(iii) Other Income

Interest is recognized using the time-proportion method, based on rates implicit in the transaction. Goods and Service tax (GST) is accounted on the basis of both, payments made in respect of goods cleared / services provided.

(iv) Export Benefits

Export Benefits, incentives and MEIS are recognized as Income on accrual basis i.e. when the right to receive credit as per terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

(c) 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.
- 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
- 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.

(d) 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.

(e) 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 |

(f) 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.

(g) 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.

(h) 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.

(i) 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

(j) EMPLOYEES BENEFITS

Liability as at the yearend 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

(iii) Defined benefit costs are composed of 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.

Re-measurements of the liability or asset

Recognized in other comprehensive income.

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

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.

(k) 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

(l) 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

(m) 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.

(n) 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 shareholders. 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.

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

(t) 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.

(u) FINANCIAL LIABILITIES

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

(v) 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.

(w) 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.

(x) 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 -2
Non- Current Assets
Property, Plant & Equipment for the year ended 31st March, 2019

| Sr | Particulars | Gross Block | | | Depreciation / Amortization | | | Net Block | | |
|----|----------------------|----------------------|--------------------------------|----------------------|-----------------------------|------------|------------------|----------------------|---------------------|---------------------|
| | | As at 01.04.2018 | Addition During the year | As at 31.03.2019 | Upto 31.03.2018 | Adjustment | For the Year | Upto 31.03.2019 | As at 31.03.2019 | As at 31.03.2018 |
| 1 | Free Hold Land | 43,00,00,000 | - | 43,00,00,000 | - | - | - | - | 43,00,00,000 | 43,00,00,000 |
| 2 | Factory Building | 18,56,09,703 | - | 18,56,09,703 | 16,64,59,595 | - | 8,97,910 | 16,73,57,505 | 1,82,52,198 | 1,91,50,108 |
| 3 | Plant & Machinery | 136,12,06,059 | 3,22,15,985 | 139,34,22,044 | 129,59,30,836 | - | 71,17,745 | 130,30,48,581 | 9,03,73,463 | 6,52,75,223 |
| 4 | Office Equipment | 38,95,202 | 3,42,957 | 42,38,159 | 35,41,580 | - | 1,48,526 | 36,90,106 | 5,48,053 | 3,53,622 |
| 5 | Computer | 25,79,131 | 1,56,998 | 27,36,129 | 18,24,440 | - | 3,64,842 | 21,89,282 | 5,46,847 | 7,54,691 |
| 6 | Furniture & Fixture | 40,34,551 | 1,67,668 | 42,02,219 | 37,17,321 | - | 47,821 | 37,65,142 | 4,37,077 | 3,17,230 |
| 7 | Vehicle | 5,86,343 | - | 5,86,343 | 5,57,026 | - | - | 5,57,026 | 29,317 | 29,317 |
| | Grand Total | 198,79,10,989 | 3,28,83,608 | 202,07,94,597 | 147,20,30,798 | - | 85,76,844 | 148,06,07,642 | 54,01,86,955 | 51,58,80,191 |
| | Previous Year | 198,48,73,591 | 30,37,398 | 198,79,10,989 | 146,52,53,483 | - | 67,77,315 | 147,20,30,798 | 51,58,80,191 | 51,96,20,108 |

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Property, Plant & Equipment for the year ended 31st 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 | As at 31.03.2017 |
| 1 | Free Hold Land | 43,00,00,000 | - | 43,00,00,000 | - | - | - | - | 43,00,00,000 | 43,00,00,000 |
| 2 | Factory Building | 18,56,09,703 | - | 18,56,09,703 | 16,55,61,685 | - | 8,97,910 | 16,64,59,595 | 1,91,50,108 | 2,00,48,018 |
| 3 | Plant & Machinery | 135,91,08,104 | 20,97,955 | 1,36,12,06,059 | 1,29,04,61,557 | - | 54,69,279 | 1,29,59,30,836 | 6,52,75,223 | 6,86,46,547 |
| 4 | Office Equipment | 37,38,738 | 1,56,465 | 38,95,202 | 33,98,136 | - | 1,43,444 | 35,41,580 | 3,53,622 | 3,40,602 |
| 5 | Computer | 19,69,680 | 6,09,451 | 25,79,131 | 15,83,312 | - | 2,41,128 | 18,24,440 | 7,54,691 | 3,86,368 |
| 6 | Furniture & Fixture | 38,61,023 | 1,73,528 | 40,34,551 | 36,91,767 | - | 25,554 | 37,17,321 | 3,17,230 | 1,69,256 |
| 7 | Vehicle | 5,86,343 | - | 5,86,343 | 5,57,026 | - | - | 5,57,026 | 29,317 | 29,317 |
| | Total | 198,48,73,591 | 30,37,398 | 1,98,79,10,989 | 1,46,52,53,483 | - | 67,77,315 | 1,47,20,30,798 | 51,58,80,191 | 51,96,20,108 |

Note No 3
Non-Current Financial Assets
Others

| Particular | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|--|----------------------------------|----------------------------------|
| [Unsecured, Considered Good (unless otherwise stated)] | | |
| Security Deposits | 3,60,50,580 | 3,87,82,342 |
| Capital Advance | 36,52,838 | 50,93,759 |
| Total | 3,97,03,418 | 4,38,76,101 |

Note No 4
Deferred Tax Assets (Net)

| Particular | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|--|----------------------------------|----------------------------------|
| Liability: | | |
| WDV of Fixed Asset | 1,32,03,518 | 1,25,31,245 |
| Sub Total | 1,32,03,518 | 1,25,31,245 |
| Assets: | | |
| Gratuity | 87,36,511 | 70,62,962 |
| Expenses disallowed u/s 43B of Income Tax Act | 21,52,946 | 11,24,900 |
| Carried forward Unabsorbed Depreciation | 18,93,40,923 | 19,31,68,903 |
| Sub Total | 20,02,30,380 | 20,13,56,765 |
| Total Deferred Tax assets at the year end | 18,70,26,860 | 18,88,25,520 |
| Less: Opening Deferred Tax assets | 18,88,25,520 | 20,62,13,056 |
| Deferred Tax Assets recognized during the year | (17,98,658) | (1,73,87,536) |
| Total | 18,70,26,862 | 18,88,25,520 |

Note No 5
Other Non-Current Assets

| Particular | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|--------------------------------------|----------------------------------|----------------------------------|
| [Unsecured, Considered Good] | | |
| Electricity Duty Refund Receivable | 13,33,868 | 13,33,868 |
| Additional Supply Charges Receivable | 1,04,69,029 | 1,04,69,029 |
| Deferred Sales Tax Receivable (SGST) | 7,73,23,114 | 3,39,21,613 |
| Total | 8,91,26,011 | 4,57,24,510 |

Note No 6
Current Assets
Inventories

| Particular | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|---|----------------------------------|----------------------------------|
| Raw Material | | |
| Raw Materials (Waste Paper & Base Paper) | 1,99,55,279 | 1,71,22,861 |
| Dyes and Chemicals | 4,34,35,588 | 2,47,43,307 |
| Sub Total | 6,33,90,868 | 4,18,66,168 |
| Finished Goods: Work-in-process | 7,76,067 | 14,86,735 |
| Finished Products (Kraft ,Coated & thermal Paper) | 5,06,70,147 | 4,60,72,505 |
| Sub Total | 5,14,46,214 | 4,75,59,240 |
| Store , Spares & Consumables: Stores and Spare | 2,59,87,944 | 2,60,99,312 |
| Packing Material | 7,22,779 | 22,61,457 |
| Sub Total | 2,67,10,723 | 2,83,60,769 |
| Coal | 1,00,87,765 | 64,46,524 |
| Sub Total | 1,00,87,765 | 64,46,524 |
| Scrap and other materials | - | - |
| Sub Total | - | - |
| Total | 15,16,35,569 | 12,42,32,701 |

Note no 7
Financial Assets
Trade Receivables

| Particular | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|--|--|--|
| i) Secured: Considered Good | | |
| Due for a period of less than six months | 50,50,000 | 18,61,598 |
| Due for a period of more than six months | - | 55,02,208 |
| ii) Unsecured: Considered Good | | |
| Due for a period of less than six months | 16,87,58,947 | 14,13,18,705 |
| Due for a period of more than six months | 58,82,542 | 5,76,330 |
| iii) Unsecured: Considered doubtful: | | |
| Due for a period of more than six months | 34,94,370 | 35,19,370 |
| Less: Provision for doubtful debtors | (34,94,370) | (35,19,370) |
| Total | 17,96,91,489 | 14,92,58,841 |

Note: Movement in the allowances for doubtful debts

| | | |
|-------------------------------------|-----------|-----------|
| Opening provision | 35,19,370 | - |
| Add: Provision made during the year | - | 35,19,370 |
| Less: Written off during the year | 25,000 | - |
| Closing Provision | 34,94,370 | 35,19,370 |

Note No 8
Financial Assets
Cash&cash equivalents

| Particular | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|----------------------------------|--|--|
| Cash on Hand | 2,69,507 | 1,24,787 |
| Bank Balances in Current Account | 1,00,35,768 | 79,71,072 |
| Total | 1,03,05,275 | 80,95,859 |

Note No 9
Financial Assets
Others [Unsecured, Considered Good]

| Particular | As at March 31, 2019 (Rupees) | As at March 31, 2018 (Rupees) |
|-------------------------------------|--|--|
| Advances against purchase | 1,32,98,872 | 2,04,47,476 |
| Advance to Related Parties | - | 4,00,000 |
| Insurance claim receivable | - | 68,33,906 |
| VAT Receivable | 2,32,27,324 | 4,76,77,555 |
| Balances with Income Tax department | 3,08,546 | 22,84,984 |
| Advances to Staff | 6,26,761 | 3,09,747 |
| Total | 3,74,61,503 | 7,79,53,669 |

Note No 10
Current Assets
Other Current Assets
[Unsecured, Considered Good]

| Particular | As at March 31, 2018 (Rupees) | As at March 31, 2018 (Rupees) |
|--|--|--|
| GST Receivable | - | 36,68,195 |
| Prepaid Expenses | 7,00,702 | 4,52,613 |
| Deposit with Govt Authorities (Net of Provision of Rs. 711322) | 34,12,574 | 10,70,497 |
| Total | 41,13,276 | 51,91,305 |

Note No 11**Equity****Equity Share Capital****Authorised Share Capital**

| Particulars | As at 31 st March, 2019 | | As at 31 st March, 2018 | |
|-----------------------------|------------------------------------|---------------------|------------------------------------|---------------------|
| 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 | 350,00,000 | 35,00,00,000 |

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 |
| Total | 90,00,000 | 9,00,00,000 | 90,00,000 | 9,00,00,000 |

A) Reconciliation of Number of Shares, Equity Shares

| | | | | |
|--|----------------|-----------------|----------------|-----------------|
| Balance as at the beginning of the year | 9000000 | 90000000 | 9000000 | 90000000 |
| Add: Shares issued during the year | - | - | - | - |
| Add: Bonus Shares issued during the year | - | - | - | - |
| Balance as at the end of the year | 9000000 | 90000000 | 9000000 | 90000000 |

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 31.03.2019 | | As at 31.03.2018 | |
|----|---------------------------------|------------------|--------------|------------------|--------------|
| | | No of Shares | % of Holding | No of Shares | % of Holding |
| A | Akash Farms Pvt Ltd | 23,82,027 | 26.47 | 20,00,000 | 22.22 |
| B | Ashu Farms Pvt Ltd | 28,80,391 | 32.00 | 26,66,667 | 29.63 |
| C | ARC Trust Fund | - | - | 13,33,333 | 14.81 |
| D | Wexford Trading Pvt Ltd | 6,66,666 | 7.41 | - | - |
| D | Tapovan Paper & Board Mills Ltd | 20,00,000 | 22.22 | 20,00,000 | 22.22 |

Note No 12**Other Equity**

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------------------|---------------------|---------------------|
| Retained Earnings | 23,09,67,073 | 17,46,91,321 |
| Total | 23,09,67,073 | 17,46,91,321 |

Note No 13**Non- Current Liabilities - Financial Liabilities****Borrowings (Unsecured)**

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--------------------------------------|---------------------|---------------------|
| Deferred Sales Tax Liabilities -VAT | 23,19,85,985 | 23,64,19,260 |
| Deferred Sales Tax Liabilities -SGST | 7,73,23,114 | 3,39,21,613 |
| Total | 30,93,09,099 | 27,03,40,873 |

Note:-Deferred Sales Tax Liability of VAT as also of SGST has not been valued at fair value, which would have been Rs. 15, 88, 44,101 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 14
Non- Current Liabilities
Provisions

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|-------------------------|-------------------------|
| Provision for Employee Benefits | | |
| Gratuity | 1,99,74,082 | 1,84,70,742 |
| Compensated Absence | 34,42,559 | 29,88,577 |
| Total | 2,34,16,641 | 2,14,59,319 |

Note No 15
Current Liabilities- Financial Liabilities
Borrowings

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|--|-------------------------|-------------------------|
| Secured Loans | | |
| Term Loan from ARC Trust | - | 15,24,48,287 |
| Inter-corporate deposit from a company | 17,08,17,589 | 15,06,28,766 |
| Sub Total | 17,08,17,589 | 30,30,77,053 |

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 village Wahegaon and Issarwadi, PaithanDist Aurangabad
- (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 31.03.2019 | As at 31.03.2018 |
|----------------------|-------------------------|-------------------------|
| From Related Parties | - | 24,69,320 |
| Loans from Companies | 19,61,46,174 | 8,75,99,326 |
| Loan from Other | - | 45,41,277 |
| Sub Total | 19,61,46,174 | 9,46,09,923 |
| Total | 36,69,63,763 | 39,76,86,976 |

Note No 16
Current Liabilities - Financial Liabilities
Trade Payable

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|-------------------------------|-------------------------|-------------------------|
| Sundry Creditors for Supplies | 16,40,83,329 | 19,19,01,484 |
| Bank Over Draft | 23,19,081 | - |
| Other Creditors | 1,06,78,675 | 72,05,370 |
| Total | 17,70,81,082 | 16,91,06,854 |

Note No 17
Current Liabilities
Other Current Liabilities

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|-------------------------|-------------------------|
| Current Maturities of long term debts | | |
| Term Loan from IFCI (Default for period of February 2012 to June 2017) | 39,46,697 | 39,46,697 |
| Sales Tax Deferral | 44,33,275 | - |
| Other Payables | | |
| Credit Balance in Debtors | 12,71,866 | 74,40,583 |
| Sundry Creditors for Staff Balance | 81,00,588 | 60,61,525 |
| Directors Sitting Fees | 89,030 | 1,49,000 |
| Statutory Liabilities | 70,90,921 | 32,30,972 |
| Deposits from Dealer | 77,01,848 | 80,42,647 |
| Total | 3,26,34,224 | 2,88,71,423 |

Note No 18
Current Liabilities
Provisions

| Particulars | As at 31.03.2019 | As at 31.03.2018 |
|---|-------------------------|-------------------------|
| Provisions for Employee Benefits | | |
| Gratuity | 61,95,672 | 43,86,739 |
| Compensated Absences | 7,97,946 | 6,51,877 |
| Statutory Bonus | 18,84,855 | 18,43,315 |
| Total | 88,78,473 | 68,81,931 |

Note No 19
Revenue from Operations

| Particulars | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|--------------------------------|---|---|
| Manufactured Goods | | |
| Sale of Paper and Paper Board | 1,43,19,20,508 | 1,15,49,20,271 |
| Less : Excise Duty** | - | (1,87,35,349) |
| Less : Discounts | (1,74,89,871) | (3,13,32,940) |
| | 1,41,44,30,637 | 1,10,48,51,982 |
| Other Operating Revenue | | |
| Export Insensitive | 2,44,28,218 | 2,03,149 |
| Insurance Charges | 34,27,820 | 31,22,482 |
| | 2,78,56,039 | 33,25,631 |
| Total | 1,44,22,86,676 | 1,10,81,77,613 |

**Previous financial year, excise duty was in force 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 20
Other Income

| Particulars | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|---|---|---|
| Scrap & Other Sales | 26,20,679 | 12,74,190 |
| Interest Income (Interest on overdue trade receivables) | - | 6,63,027 |
| Liabilities/ Provision no longer required written back | 82,45,283 | 38,29,795 |
| Provision for doubtful debts written back | 25,000 | - |
| Interest Received | 11,25,256 | - |
| MSEDC Ltd Non Continuous Refund | - | 1,84,13,653 |
| Insurance Claim Received | 2,13,202 | 68,62,037 |
| Misc. Income | 36,967 | 8,98,357 |
| Total | 1,22,66,387 | 3,19,41,059 |

Note No 21
Cost of Material Consumed

| Particulars | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|--|---|---|
| Opening Stock | 4,18,66,168 | 2,11,53,645 |
| Add: Purchases of Raw Material & Chemicals | 92,33,06,376 | 80,00,74,103 |
| Less: Closing stock | (6,33,90,867) | (4,18,66,168) |
| Total | 90,17,81,678 | 77,93,61,580 |

Major Items contributing in raw material consumption

| | | |
|-------------|---------------------|---------------------|
| Waste Paper | 46,61,67,658 | 54,93,46,766 |
| Base Paper | 23,20,37,869 | 12,15,83,862 |
| Chemicals | 20,35,76,150 | 10,84,30,952 |
| | 90,17,81,678 | 77,93,61,580 |

Note No 22
Change in Inventories
(Increase)/ Decrease in Stock

| Particulars | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|---------------------------|---|---|
| Closing Stock | | |
| a) Finished Goods | 5,06,70,147 | 4,60,72,505 |
| b) Work in Process | 7,76,067 | 14,86,735 |
| c) Scrap & Other Material | - | - |
| | 5,14,46,214 | 4,75,59,240 |
| Opening 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 |
| Total | (38,86,974) | (1,39,10,962) |

Note No 23
Employee Benefit Expenses

| Particulars | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|---|---|---|
| Salaries, Wages and Bonus | 5,21,07,469 | 4,92,04,820 |
| Contribution to Provident and Other Funds | 44,24,837 | 40,84,639 |
| Staff Welfare Expenses | 9,21,009 | 7,89,158 |
| Gratuity & Compensated Absences | 38,49,885 | 10,18,828 |
| Total | 6,13,03,200 | 5,50,97,445 |

Note No 24
Finance Cost

| Particulars | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|--------------------|---|---|
| Interest Expenses* | 8,83,57,498 | 6,17,27,643 |
| Total | 8,83,57,498 | 6,17,27,643 |

Note No 25
Depreciation Expenses

| Particulars | Year Ended 31 st March, 2019 (Rupees) | Year Ended 31 st March, 2018 (Rupees) |
|---------------------------------|---|---|
| Depreciation on Tangible Assets | 85,76,844 | 67,77,315 |
| Total | 85,76,844 | 67,77,315 |

Note No 26
Other Expenses

| Particulars | Year Ended 31st March, 2019 (Rupees) | Year Ended 31st March, 2018 (Rupees) |
|--|--|--|
| a) Manufacturing Expenses | | |
| Store & Spares Consumed | 4,12,95,450 | 2,37,77,573 |
| Packing Material Consumed | 2,02,35,538 | 85,38,777 |
| Power & Fuel | 17,75,37,330 | 13,95,78,358 |
| Water | 34,74,255 | 19,86,935 |
| Labour Wages | 1,97,51,014 | 1,41,21,971 |
| Freight & Forwarding | 2,79,21,391 | 39,75,258 |
| Repairs and Maintenance (Machinery) | 46,84,769 | 36,46,950 |
| Repairs and Maintenance (Factory Building) | 3,56,603 | 4,70,735 |
| Sub Total | 29,52,56,349 | 19,60,96,557 |
| b) Administrative Expenses | | |
| Rent | 3,63,500 | 3,39,231 |
| Rates and Taxes | 6,98,876 | 15,34,708 |
| Insurance | 10,72,454 | 6,37,706 |
| Legal & Professional Expenses | 1,00,68,997 | 86,33,095 |
| Repairs and Maintenance - Others | 8,81,755 | 28,43,299 |
| Communication | 2,91,088 | 3,72,882 |
| Printing & Stationery | 6,11,080 | 4,50,504 |
| Auditors' Remuneration: | | |
| Statutory Audit Fee | 3,00,000 | 2,50,000 |
| Tax Audit Fee | 50,000 | 50,000 |
| Other services | 1,03,500 | 78,000 |
| Directors' sitting fees | 75,000 | 80,000 |
| Business Promotion | 12,07,402 | 75,966 |
| Miscellaneous Expenses | 27,31,580 | 21,02,257 |
| Bank Charges | 2,36,232 | 2,71,306 |
| Security Charges | 14,84,799 | 16,43,428 |
| License Inspection & Testing Fees | 1,40,210 | 4,63,234 |
| Electricity Expenses | 2,20,353 | 2,81,982 |
| Books & Periodicals | 28,240 | 17,583 |
| Postage & Courier | 3,23,599 | 2,49,192 |
| Computer Expenses | 4,86,522 | 8,48,883 |
| Merger Expenses | 6,32,366 | 5,90,000 |
| Sub Total | 2,20,07,552 | 2,18,13,256 |

c) Selling Expenses

| Particulars | Year Ended 31st March, 2019 (Rupees) | Year Ended 31st March, 2018 (Rupees) |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Travelling and Conveyance | 45,40,461 | 35,73,809 |
| Advertisement and Sales Promotion | 84,546 | 1,30,918 |
| Membership & Subscription | 60,770 | 94,780 |
| Bad Debts Provisions | - | 35,19,370 |
| Sundry debit balances written off | 7,18,471 | 21,12,898 |
| Sub Total | 54,04,248 | 94,31,774 |

d) Discount, Schemes and Incentives

| | | |
|------------------------|---------------------|---------------------|
| Cash Discounts | 6,52,052 | 14,11,694 |
| Sales Commission | 1,30,82,101 | 1,24,29,049 |
| Special Discount | 70,354 | 30,037 |
| Quantity Discounts | 2,44,677 | 8,45,389 |
| Selling Expenses | 1,52,983 | 1,72,417 |
| Sub Total | 1,42,02,167 | 1,48,88,586 |
| Total (A+B+C+D) | 33,68,70,315 | 24,22,30,174 |

Note No 27

Fair Value Measurements

| Sr | Particulars | Carrying Amount | | Fair Value | |
|----|-------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | As at 31 st March 2019 | As at 31 st March 2018 | As at 31 st March 2019 | As at 31 st March 2018 |

Financial Assets

Financial Assets measured at amortised cost

| | | | | | |
|---|----------------------------------|--------------|--------------|--------------|--------------|
| a | Sundry Deposits | 3,60,50,580 | 3,87,82,342 | 3,60,50,580 | 3,87,82,342 |
| b | Capital Advance | 36,52,838 | 50,93,759 | 36,52,838 | 50,93,759 |
| c | Trade Receivable | 17,96,91,489 | 14,92,58,841 | 17,96,91,489 | 14,92,58,841 |
| d | Cash on Hand | 2,69,507 | 1,24,787 | 2,69,507 | 1,24,787 |
| e | Bank Balance | 1,00,35,768 | 79,71,072 | 1,00,35,768 | 79,71,072 |
| f | Electricity Refund Receivable | 8,91,26,011 | 4,57,24,510 | 8,91,26,011 | 4,57,24,510 |
| g | Advance against Purchase | 1,32,98,872 | 2,08,47,476 | 1,32,98,872 | 2,08,47,476 |
| h | Receivable from Govt Authorities | 2,35,35,870 | 5,67,96,445 | 2,35,35,870 | 5,67,96,445 |
| i | Other Receivable | 6,26,761 | 71,43,653 | 6,26,761 | 71,43,653 |

Financial Liabilities

Financial Liabilities measured at amortised cost

| | | | | | |
|---|--------------------------|--------------|--------------|--------------|--------------|
| a | Non – Current Borrowings | 30,93,09,099 | 27,03,40,873 | 30,93,09,099 | 27,03,40,873 |
| b | Current Borrowings | 36,69,63,763 | 39,76,86,976 | 36,69,63,763 | 39,76,86,976 |
| c | Trade Payable | 17,70,81,085 | 16,91,06,854 | 17,70,81,085 | 16,91,06,854 |
| d | Other Payable | 3,26,34,224 | 2,88,71,423 | 3,26,34,224 | 2,88,71,423 |

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 nonperformance 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 28

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, 2019 | As at March, 31 2018 |
|------------------|----------------------|----------------------|
| Net Debts (A)* | 66,59,67,587 | 65,99,31,990 |
| Equity (B)** | 32,09,67,073 | 26,46,91,321 |
| Debt Ratio (A/B) | 207.49 | 249.32 |

* 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 st March 2019 | 17,96,91,489 |
| 31 st March 2018 | 14,92,58,841 |

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 st March 2019 | | 31 st March 2018 | |
|------------------------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | Less than 1 year | 1-3 year | Less than 1 year | 1-3 year |
| Non-current Financial Liability | - | - | - | - |
| Loan/ Term Loan (at variable rate) | 39,46,697 | 30,93,09,099 | 39,46,697 | 27,03,40,873 |
| Total | 39,46,697 | 30,93,09,099 | 39,46,697 | 27,03,40,873 |

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 st March 2019 | | 31 st March 2018 | |
|------------------------------|-----------------------------|--------------------|-----------------------------|--------------------|
| | Less than 1 year | 1-3 year | Less than 1 year | 1-3 year |
| Non-current Financial Assets | | | | |
| Security Deposit | - | 3,60,50,580 | - | 3,87,82,342 |
| Capital Advance | - | 36,52,838 | - | 50,93,759 |
| Total | - | 3,97,03,418 | - | 4,38,76,101 |

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 29**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 | 1,19,89,489 | 2,23,33,975 |
| ii) Disputed demands of Maharashtra Value Added Tax for the year 2007-08 and 2011-12 | 27,14,803 | 43,18,970 |
| iii) Disputed demands of Water Cess (including interest up to the date of demand) | 15,98,193 | 15,98,193 |
| iv) Disputed demand of Property Tax from Gram Panchayat | 27,13,459 | 27,13,459 |
| v) Deferred sales tax Liability transferred to another Company (with recourse) | 15,86,36,440 | 15,86,36,440 |
| vi) Amount of interest liability/ penalty, if any on 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 Rs36,52,838/- previous year Rs 16,46,000/-) | 26,49,422 | 71,22,481 |

Note No 30

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 31

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 32
Managerial Remuneration

| Particulars | Current Year (Rupees) | Previous year (Rupees) |
|---|--------------------------|---------------------------|
| Mr. Akash Kagliwal (Managing Director) (ceased w.e.f. 25.03.2019) | | |
| Salary & Allowance | 27,60,000 | 25,20,000 |
| Contribution to Provident Fund | - | - |
| | 27,60,000 | 25,20,000 |
| Mr. Vijay Saboo Chief Financial Officer | | |
| Salary & Allowance | 28,43,664 | 27,42,400 |
| Contribution to Provident Fund | - | - |
| | 28,43,664 | 27,42,400 |
| Company Secretary | | |
| Bhushan Puranik (01-04-18 to 15-12-18) | 1,33,332 | 5,607 |
| Sushant Kulkarni (15-12-18 to 31-03-19) | 60,919 | - |
| | 1,94,251 | 5,607 |

Note No 33

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 2019 | Year Ended 31 March 2018 |
|---|--------------------------------|--------------------------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 24,16,666 | 58,15,976 |
| 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 34
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 35

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 36**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 | 29,76,665 | 30,45,806 |
| Employers Contribution to ESI | 14,29,608 | 10,19,834 |
| Employers Contribution to Labour Welfare Fund | 18,564 | 18,999 |

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% | 7.80% |
| Salary escalation rate | 7% | 7% |
| 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 2019

a) Change in Present Value of Defined Benefit Obligation

| | | |
|--|--------------------|--------------------|
| Present value of obligations at the beginning of the year | 2,28,57,841 | 2,57,51,697 |
| Current Service Cost | 8,65,644 | 9,76,997 |
| Past Current Service Cost | 0 | 0 |
| Interest Cost | 17,82,884 | 18,59,273 |
| Actuarial (Gain) / Loss | 34,76,092 | (19,12,155) |
| Benefit paid | (28,12,347) | (38,17,971) |
| Present value of obligations at the end of the year | 2,61,70,114 | 2,28,57,841 |

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 | 28,12,347 | 38,17,971 |
| Actuarial gain / (loss) on plan assets | - | - |
| Benefit paid | (28,12,347) | (38,17,971) |
| Fair value of plan assets at the end of the year | - | - |

c) Percentage of each category of plan assets to total fair value of plan assets as at 31st March 2019

| | | |
|---------------------------------------|------|------|
| 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 | 2,61,70,114 | 2,28,57,841 |
| Unrecognized past service cost | - | - |
| Unrecognized actuarial (gain)/loss | - | - |
| Unfunded net (Assets)/liability recognized in the Balance Sheet as at the end of the year | 2,61,70,114 | 2,28,57,841 |

e) Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2019

| | | |
|--|------------------|-----------------|
| Current Service Cost | 8,65,644 | 9,76,997 |
| Interest Cost | 17,82,884 | 18,59,273 |
| Expected return on plan assets | - | - |
| Net Actuarial (Gain) / Loss recognized in the year | 34,76,092 | (19,12,155) |
| Past Service cost | - | - |
| Net Gratuity (income) / expense | 61,24,620 | 9,24,115 |

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

| | | |
|----------------------------------|-------------|-------------|
| Present value of obligation | 2,61,70,114 | 2,28,57,841 |
| Fair value of plan assets | - | - |
| (Surplus) / Deficit | 2,61,70,114 | 2,28,57,841 |
| 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. 42,40,505 (Previous year liability Rs. 36,40,454)

Note No 37

Related Party Transactions:

Related parties' disclosure as per Indian Accounting Standard - 24:

a) List of related parties

1. Agri Tech (India) Ltd
2. Tech India Nirman Ltd
3. Nath Biotechnologies Ltd.
4. Nath Nirman Infra Pvt Ltd
5. Tapovan International Trading Pvt Ltd
6. Nath Bio-genes (India) Ltd

b) Relative of KMP

1. Gopal Krishna Ganediwal HUF
2. Leela Ganediwal

c) Key Management Personnel:-

1. Mr. Akash Kagiwal (Managing Director) (ceased w.e.f.25.03.2019)
2. Mr. Vijay Saboo (Chief Financial Officer)
3. Bhushan Puranik (Company Secretary)
4. Sushant Kulkarni (Company Secretary)

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 Transaction | Current year | Previous year |
|---------------------------------------|------------------------------|--------------|---------------|
| Tapovan International Trading Pvt Ltd | Purchases | 24,56,61,303 | 43,33,25,517 |
| Agri Tech (India) Ltd. | Amount Received | - | 99,25,000 |
| | Transfer (debit to account) | - | 99,25,000 |
| Nath Biotechnologies Ltd. | Transfer (debit to account) | 2,11,417 | 76,02,039 |
| | Amount Paid | 2,40,00,000 | - |
| | Transfer (credit to account) | 2,11,417 | 1,76,75,000 |
| | Amount Received | 30,00,000 | 2,40,00,000 |
| NathNirman Infra Pvt Ltd | Transfer (debit to account) | - | 20,482 |
| | Transfer (debit to account) | - | 20,482 |
| Gopal Krishna Ganediwal HUF | Interest paid | 1,73,097 | 5,40,002 |
| | Loan repaid | 45,41,277 | 63,544 |
| Tech India Nirman Ltd | Transfer (credit to account) | 30,00,000 | - |

e) Outstanding balances at the year end

| Name of the Party | As at 31.03.2019 | Dr/ Cr | As at 31.03.2018 | Dr/ Cr |
|---------------------------------------|------------------|--------|------------------|--------|
| Tapovan International Trading Pvt Ltd | 5,03,61,886 | Cr | 5,03,61,886 | Cr |
| Nath Biotechnologies Ltd. | 1,30,72,961 | Cr | 3,40,72,961 | Cr |
| Gopal Krishna Ganediwal HUF | - | Cr | 45,41,277 | Cr |
| Tech india Nirman Ltd | - | Dr | 30,00,000 | 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 38

Foreign Currency Transactions

CIF Value of Imports:

| Particulars | Current year | Previous year |
|--|--------------|---------------|
| Raw material and Chemicals | 44,32,18,460 | 21,60,12,047 |
| Store & Spares | 21,87,469 | 6,50,074 |
| Fixed Assets Purchase | 2,19,612 | - |
| Expenditure in Foreign Currency: - Travelling Expenses | 12,58,645 | - |
| Earning in Foreign Currency: F O B value of Exports | 26,19,30,512 | - |

| Particulars | As at 31 st March 2019 | | As at 31 st March 2018 | |
|---|-----------------------------------|--------------|-----------------------------------|--------------|
| | Rupees | % | Rupees | % |
| Imported / High Seas Purchase | | | | |
| Raw Material & Chemicals (Imported & High Seas) | 21,86,69,943 | 23.19 | 13,41,49,124 | 16.79 |
| Stores & Spare Parts | 21,87,469 | 0.23 | - | 0.00 |
| Total (A) | 22,08,57,412 | 23.42 | 13,41,49,124 | 16.79 |
| Indigenous | | | | |
| Raw Material & Chemicals | 68,31,11,735 | 72.43 | 64,09,86,764 | 80.23 |
| Store & Spare parts | 3,91,07,981 | 4.15 | 2,37,77,573 | 2.98 |
| Total (B) | 72,22,19,715 | 76.58 | 66,47,64,337 | 83.21 |
| Total (A+B) | 94,30,77,127 | 100 | 79,89,13,461 | 100 |

Note No 39

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 | 85,23,624 | 22,618 |

Note No 40

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 41

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 | 5,62,75,752 | 17,53,941 |
| Less :- Dividend on Preference Shares | - | - |
| Numerator: Profit Available for equity share holders | 5,62,75,752 | 17,53,941 |
| Denominator: Weighted Average Number of Equity shares outstanding (nos.) | 90,00,000 | 90,00,000 |
| Denominator for Diluted equity share holder | 90,00,000 | 90,00,000 |
| Basic Earnings per share is arrived at by dividing Numerator by Denominator | 6.25 | 0.19 |
| Diluted Earnings per share is arrived at by dividing Numerator for diluted equity share holder by Denominator | 6.25 | 0.19 |
| The nominal value per equity shares is Rupees | 10 | 10 |

Note No 42

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 43

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

- i) The Department of Sales Tax, Govt. of Maharashtra, vide its order dated 9th May 2017, has extended the repayment period of Deferred Sales Tax amounting to Rs. 33,20,25,495 under the package scheme of incentive 1988, of Government of Maharashtra by a further 8 years. Accordingly, the repayment will start from April 2019.
- ii) 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
- iii) In accordance with extended eligibility, the company has utilized Rs.4 34 01 501 during the year(Previous Year Rs. 4,48,24,027)vide Addenda No IX Dt. 29/02/2016 issued by Joint Director of Industries, Aurangabad Region, Aurangabad.

Note No 44

- i) 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 2019,the company has paid entire principal dues leaving interest amounting to Rs. 39,46,697 which is yet to be paid.

Note No 45

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

Jeevanlata Kagliwal
Director
DIN No 01691724

Ashu Jain
Director
DIN 00243310

Place: Aurangabad
Date: 30.05.2018

NATH PULP & PAPER MILLS LIMITED

Nath House, Nath Road, Aurangabad – 431 005.

Tel No . 0240-2376315/6/7 Fax No. 0240-2376188

E mail : kgiyer@nathpaper.com website : www.nathpaper.com

CIN : L21100MH1975PLC018289

ATTENDANCE SLIP

ANNUAL GENERAL MEETING

September 30, 2019 at 2:00 p.m.

1. Regd. Folio No. or Client ID No. : _____
2. DP ID No. : _____
3. No. of shares hold : _____
4. Name of the Member/Proxy : _____

I am member/proxy for the member of the Company. I hereby record my presence at an Annual General Meeting of the members of the Company at Nath House, Nath Road, Aurangabad – 431 005.

Signature of the Member / Proxy

Note: Please complete and sign this attendance slip and hand it over at the entrance of the hall.

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Form No. MGT-11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

| | | |
|----|--|--|
| 1. | Name(s) of Shareholder(s) (including joint-holders If any) | |
| 2 | Registered address of The sole first named Shareholder | |
| 3 | Registered Folio No./ Client ID No. | |
| 4 | No. of Shares Held | |

I/We being the members) of _____ shares of the above named Company, hereby appoint

1. Name _____ E-Mail ID: _____

Address: _____ Signature _____ or failing him

2. Name _____ E-Mail ID: _____

Address: _____ Signature _____ or failing him

3. Name _____ E-Mail ID: _____

Address: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on September 30, 2019 at 2p.m. at Nath House, Nath Road, Aurangabad – 431 005 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Resolution | Vote option see note 2 (please mention no. of shares) | | |
|----------------|---|--|---------|---------|
| | | For | Against | Abstain |
| 1. | Adoption of the Profit & Loss Account for the year ended 31 st March, 2019, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon. | | | |
| 2 | Ratification of appointment of Statutory Auditors M/s Gautam N Associates | | | |
| 3. | Re- Appointment of Mr. Shrirang Agarwal (DIN: 0119681) as a Independent, Non Executive director the Company | | | |
| 4 | Confirmation of appointment of Mrs. JeevanlataKagliwal (DIN:02057459) as Director of the company ,who was appointed as Additional Director of the Company wef 01.01.2019 | | | |

Signed this _____ day of _____, 2019

Signature of shareholder(s):

Signature of Proxy holder(s):

Note:

1. This Form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. If you leave the 'For, Against or Abstain' column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he may deem appropriate.

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CIN :L21100MH1975PLC018289

BALLOT FORM

| | | |
|----|--|--|
| 1. | Name(s) of Shareholder(s) (including joint-holders If any) | |
| 2 | Registered address of The sole first named Shareholder | |
| 3 | Registered Folio No./ Client ID No. | |
| 4 | No. of Shares Held | |

4. I/We hereby exercise my/our vote in respect of ordinary/ Special Resolution to be passed for business stated in the notice of the 44th Annual General meeting of the Company scheduled on September, 30th 2019 by conveying my/our assent (FOR) or dissent (AGAINST) to the said resolution(s) by placing tick (√) mark in the appropriate box below:

| Resolution No. | Resolution | Vote option see note 2 (please mention no. of shares) | | |
|----------------|---|--|---------|---------|
| | | For | Against | Abstain |
| 1. | Adoption of the Profit & Loss Account for the year ended 31 st March, 2019, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon. | | | |
| 2 | Ratification of appointment of Statutory Auditors M/s Gautam N Associates | | | |
| 3. | Re- Appointment of Mr. Shrirang Agarwal (DIN: 0119681) as a Independent, Non Executive director the Company | | | |
| 4 | Confirmation of appointment of Mrs. Jeevanlata Kagliwal (DIN:02057459) as Director of the company ,who was appointed as Additional Director of the Company wef 01.01.2019 | | | |

(Signature of the Shareholder/Beneficial Holder)

Place:

Date :

Note: Please read instructions before exercising the vote.

INSTRUCTIONS

1. Members may fill up the Ballot Form printed overleaf and submit the same in a sealed envelope to the Scrutinizer, Ms. Neha P.Agrawal practicing in Company Secretary Address 11 B, Konark Estate, Osmanpura, Aurangabad 401 005 or to her email_id: nehapagrawal@gmail.com so as to reach by 5.00 p.m. on September 29, 2019. Ballot Form received thereafter will strictly be treated as if not received.
2. The Company will not be responsible if the envelope containing the Ballot Form is lost in transit.
3. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.
4. In the event member casts his votes through both the process i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.
5. The right of voting by Ballot Form shall not be exercised by a proxy.
6. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company (i.e. Bigshare Services Private Limited) Members are requested to keep the same updated.
7. There will be only one Ballot Form for every Folio/DP ID Client ID Irrespective of the number of joint members.
8. In case of joint holders, the Ballot Form should be signed by the first named shareholder and in his/her absence by the next named shareholders. Ballot Form signed by a joint holders shall be treated valid if signed as per records available with the Company and the Company shall not entertain any objection on such Ballot Form signed by other joint holders.
9. Where the Ballot Form has been signed by an authorized representative of the body corporate/Trust/Society etc. a certified copy of the relevant authorization/Board Resolution to vote should accompany the ballot Form.
10. Instructions for e-voting procedure are available in the Notice of Annual General Meeting and are also placed on the website of the Company i.e. www.nathpaper.com.

Book Post

To,

If undelivered return to

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