

# **NATH INDUSTRIES LIMITED**

(FORMERLY KNOWN AS RAMA PULP AND PAPERS LIMITED)

## **38TH ANNUAL REPORT**

**2019-20**

<p><b>Registered Office</b></p> <p>Nath House, Nath Road Aurangabad- 431005 Maharashtra</p> <p><b>Corporate Office</b> 1, Chateau Windsor, 86, Veer Nariman Road, Churchgate, Mumbai – 400 020</p>	<p><b>Units:</b></p> <p>i) <b>Rama Paper</b> Plot No. 293-296, Phase II, G.I.D.C., Vapi – 396195 Gujarat.</p> <p>ii) <b>Nath Paper</b> Nath Nagar (north), Village Wahegaon, Taluka Paithan, Dist. Aurangabad.</p> <p>iii) <b>Nath Chemical</b> Plot No. 295, Phase II, G.I.D.C., Vapi – 396195 Gujarat</p>
<p><b>Directors:</b></p> <p>Mrs Jeevanlata Kagliwal Shri Ramniklal Salgia Shri Akhileshkumar Sharma Shri Abhaykumar Jain Shri Shrirang Agrawal Shri Kashinath Iyer Ganapathy</p> <p><b>Company Secretary:</b></p> <p>Ms. Nupur Lodwal</p>	<p><b>Statutory Auditors:</b></p> <p>M/s Vidya &amp; Co Chartered Accountants</p>
<p><b>Registrar &amp; Share Transfer Agent:</b></p> <p>Big Share Services Pvt. Ltd. 1<sup>st</sup> Floor, Bharat Tin Works Building, Makwana Road Marol, Andheri-East, Mumbai-400059</p>	<p><b>Bankers</b></p> <p>State Bank Of India</p> <p>The Zoroastrian Co- operative Bank Ltd.</p>

**Contents:**

**Page No.**

Notice	1-9
Directors Report	10-44
Independent Auditors Reports	45-52
Balance Sheet	53
Profit and Loss Account	54
Cash Flow Statement	55
Notes to Accounts	56-93

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Thirty Eighth **ANNUAL GENERAL MEETING** of **NATH INDUSTRIES LIMITED** will be held on Wednesday the 30<sup>th</sup> September, 2020 at 03.30 P.M. through Video Conferencing (VC)/ other Audio-Visual Means (OAVM) to transact the following Business:

### **ORDINARY BUSINESS:**

#### **1. ADOPTION OF FINANCIAL STATEMENTS.**

To receive, consider and adopt Audited Balance Sheet of the Company as at March 31, 2020 and Statement of Profit & Loss for the year ended as on that date together with the Report of Directors and Auditors thereon.

#### **2. RE-APPOINTMENT OF DIRECTOR**

To appoint Mrs. Jeevanlata Kagliwal (DIN-02057459) as Director of the Company, who retires by rotation and being eligible, offer herself for re-appointment.

### **SPECIAL BUSINESS :**

#### **3. APPOINTMENT OF MR. SHRIRANG AGRAWAL INDEPEDENT, NON-EXECUTIVE DIRECTOR**

To consider & if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

**“RESOLVED THAT**, pursuant to section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof being in force) Mr Shrirang Agrawal (DIN 00119681), who was appointed as an Additional Director of the company by the Board of Directors with effect from march 21, 2020 and who holds office till the date of the AGM, in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Shrirang Agrawal as a candidate for the office of a director of the company, be and is hereby appointed as a Independent, Non-Executive director of the company.”

#### **4. APPOINTMENT OF MR. KASHINATH IYER, INDEPEDENT, NON-EXECUTIVE DIRECTOR**

To consider & if thought fit, to pass with or without modification, the following resolution as ordinary resolution:

**“RESOLVED THAT**, pursuant to section 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re-enactment thereof being in force) Mr Kashinath Iyer (DIN 01195975), who was appointed as an Additional Director of the company by the Board of Directors with effect from march 21, 2020 and who holds office till the

date of the AGM, in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Kashinath Iyer as a candidate for the office of a director of the company, be and is hereby appointed as a Independent, Non-Executive Director of the company.”

## 5. APPOINTMENT OF BRANCH AUDITOR

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) ( including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Board of Directors be and is hereby authorized to appoint Branch Auditor(s) any person(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act for any Unit, Division, Branch as they deem fit and to fix their remuneration and the terms and conditions including out of pocket, travelling and living expenses on which they shall carry out audits.”

### NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the AGM venue is not required and annual general meeting (AGM) be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic

means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.ramapulp.com](http://www.ramapulp.com) The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Bigshare Services Private Limited for assistance in this regard.
9. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Bigshare Services Private Limited in case the shares are held by them in physical form.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA Bigshare Services Private Limited in case the shares are held by them in physical form.
11. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.ramapulp.com](http://www.ramapulp.com), website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com)
12. The Business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in this Notice.
13. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the Company will be closed from 27<sup>th</sup> September 2020 to 29<sup>th</sup> September 2020 both days inclusive.
14. The relative Explanatory Statements pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed hereto.
15. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in the Electronic form are therefore requested to submit their PAN to their depository Participants with whom they are maintaining their demat accounts. Members holding Physical shares can submit their PAN to the Company/ Bigshare Services.
16. Ms. Neha P. Agrawal, Company Secretary in whole time practice, has been appointed as Scrutinizer, who in the opinion of the Board, can scrutinize the e-voting process in fair and transparent manner.

17. Instruction for E-Voting and joining AGM are as follows:

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**

The remote e-voting period begins on 27<sup>th</sup> September, 2020 at 09:00 A.M.) and ends on (29<sup>th</sup>, September, 2020 at 05:00 P.M.) The remote e-voting module shall be disabled by NSDL for voting thereafter.

And cut of Date for E voting is 23rd September 2020.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

- Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**
- Step 2: Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 is mentioned below:

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [nehapagrwal@gmail.com](mailto:nehapagrwal@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical register details:

<https://www.bigshareonline.com/InvestorRegistration.aspx>

In case shares are held in demat mode:

Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nSDL.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ([www.nathbiogenes.com](http://www.nathbiogenes.com)) The same will be replied by the company suitably.
6. Shareholders who would like to express their views or have questions may send their questions in advance, mentioning their Name, Demat account number, Folio Number, mobile number and e-mail address at ([investor@ramapulp.com](mailto:investor@ramapulp.com)) from 27<sup>th</sup> September, 2020 (9:00 a.m. IST) to 29<sup>th</sup> September, 2020 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

## **Explanatory Statements, as required by Section 102 of the Companies Act, 2013**

### **ITEM NO 3**

#### **APPOINTMENT OF MR. SHRIRANG AGRAWAL AS INDEPEDENT, NON EXECUTIVE DIRECTOR**

The Board appointed Mr Shirang Agrawal, as additional Director with effect from 21<sup>st</sup> March 2020. As per provisions of Section 161(1) of the Act, he holds office of Additional Director only upto the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under section 160 of the Act proposing the candidature for the office of the Director of the Company.

The Board recommends the Ordinary Resolution set out at Item No 3 of the Notice for approval of members.

The brief profile of Mr. Shirang Agrawal is given in the Annexure.

### **ITEM NO 4**

#### **APPOINTMENT OF MR. KASHINATH IYER AS INDEPEDENT, NON EXECUTIVE DIRECTOR**

The Board appointed Mr Kashinath Iyer, as additional Director with effect from 21<sup>st</sup> March 2020. As per provisions of Section 161(1) of the Act, he holds office of Additional Director only upto the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under section 160 of the Act proposing the candidature for the office of the Director of the Company.

The Board recommends the Ordinary Resolution set out at Item No 4 of the Notice for approval of members.

The brief profile of Mr. Kashinath Iyer is given in the Annexure below.

### **ITEM NO 5**

#### **APPOINTMENT OF BRANCH AUDITOR**

Due to amalgamation, your company has added two more units, one at Aurangabad and another at Vapi. Further as the activities and the business of the company may grow, many more units or branches may be added. As the accounts of these units/branches are to be audited as and when required, auditors for these units/branches are to be appointed. To enable the Board to appoint the auditors for the units/branches, authorization of the Members is being obtained in accordance with the provisions of Section 143(8) of the Act. The Board recommends the passing of the Resolution.

For Nath Industries Limited

Ramnklal Salgia  
Director  
(DIN: 02704031)

CIN: L21010MH1980PLC022820

Registered Office:

Nath House, Nath Road, Aurangabad 431 005.

Email: investor@ramapulp.com

**ANNEXURE:-****DETAILS OF DIRECTORS SEEKING APPOINTMENT AT ANNUAL GENERAL MEETING**

<b>NAME OF DIRECTOR</b>	<b>Mr. Shrirang Agrawal</b>
<b>Date of Birth</b>	16.02.1947
<b>Qualification</b>	B.com
<b>Expertise in specific Functional areas</b>	Wide Business experience across variety of industries
<b>Director in other Public Companies</b>	<ol style="list-style-type: none"><li>1. Agri-Tech (India) Ltd</li><li>2. Techindia Nirman Ltd</li><li>3. Nath Royal Limited</li><li>4. Tapovan Paper and Board Mills Limited</li><li>5. Global Transgenes Limited</li><li>6. Nath Bio-Genes (India) Limited</li><li>7. Raasi Synthatics and Chemicals Limited</li></ol>
<b>Chairman/ Member of Committees of other Companies</b>	<ol style="list-style-type: none"><li>1. Agri-Tech (India) Ltd</li><li>2. Techindia Nirman Ltd</li><li>3. Nath Bio-Genes (India) Limited</li></ol>
<b>No of shares held in the Company</b>	NIL

<b>NAME OF DIRECTOR</b>	<b>Mr. Kashinath Iyer</b>
<b>Date of Birth</b>	13.09.1952
<b>Qualification</b>	B.com
<b>Expertise in specific Functional areas</b>	Wide Business experience across variety of industries
<b>Director in other Public Companies</b>	<ol style="list-style-type: none"><li>1. Agri-Tech (India) Ltd</li><li>2. Techindia Nirman Ltd</li><li>3. Tapovan Paper and Board Mills Limited</li><li>4. Nath Bio-Genes (India) Limited</li><li>5. Raasi Synthatics and Chemicals Limited</li></ol>
<b>Chairman/ Member of Committees of other Companies</b>	<ol style="list-style-type: none"><li>1. Agri-Tech (India) Ltd</li><li>2. Techindia Nirman Ltd</li><li>3. Nath Bio-Genes (India) Limited</li></ol>
<b>No of shares held in the Company</b>	NIL

## **DIRECTORS' REPORT**

Dear Shareholders,

We have the pleasure in presenting the 38<sup>th</sup> Annual Report of the Company and the audited statement of accounts for the year ended 31<sup>st</sup> March, 2020.

### **AMALGAMATION**

We are pleased to inform you that the scheme of amalgamation as envisaged was finally approved by the Honourable National Company Law Tribunal (NCLT), Mumbai Bench vide its order dated 22<sup>nd</sup> August, 2019 in which it approved the merger of Nath Industrial Chemicals Limited (NICL) and Nath Pulp and Paper Mills Limited (NPPM) with Rama Pulp and Papers Limited (RPPL). The appointed date of amalgamation is 01<sup>st</sup> April, 2017 and the effective date of amalgamation is 25<sup>th</sup> October 2019.

The amalgamation has resulted in several benefits which include synergies, economies of scale, integration and cost competitiveness.

Some of the major benefits arising out of merger are as under:-

- a. Full integration of Paper Business since NPPM and RPPL were in interlinked business. Products produced by RPPL were used as raw material by NPPM and vice a versa.
- b. Addition of various specialty grade products such as tube grade paper, thermal paper, coated paper helped immensely in expanding the product portfolio of the company.
- c. Backward integration of activities in terms of internal supply of chemicals and steam in the form of raw materials since Chemicals produced by NICL were used by RPPL for manufacturing one of its product.
- d. Sharing of technical know-how.
- e. More productive and optimum utilization of various resources by pooling of managerial, technical, financial and administrative resources.
- f. Consolidation has helped in addressing the ever growing competition.
- g. Reduction in overheads, elimination of unnecessary duplication of work, costs and compliances.

### **NAME CHANGE**

After the amalgamation, the name of Rama Pulp and Papers Limited is changed to Nath Industries Limited effective from 15<sup>th</sup> Nov 2019.

## **FINANCIAL PERFORMANCE**

A summary of the financial results is given below:

(Rs. In Lakhs)

<b>FINANCIAL RESULTS</b>		
<b>Particulars</b>	<b>Year Ended</b>	
	<b>31.03.2020</b>	<b>31.03.2019</b>
Total Income	30107	13761
Profit before Interest & Depreciation	2930	882
Interest & Depreciation	1056	449
Profit before Tax	1874	433
Deferred Tax Liability/Income Tax	53	55
Surplus for the year	1821	378
Other Comprehensive Income	-364	60
Total comprehensive Income for the year	1457	438
Earnings per Share (Rs.)	9.59	3.44

### **Note**

As the effective date of amalgamation is 25.10.2019, audited figures for previous year are given of stand-alone Nath Industries Limited (formerly known as Rama Pulp and Papers Limited) and hence they are not comparable.

## **REVIEW OF OPERATIONS**

Post amalgamation, the Company has 2 major segments:

- 1) **Paper and**
- 2) **Industrial Chemicals.**

## **PAPER DIVISION**

### **UNIT- RAMA PAPER**

We are pleased to inform you that in Rama paper, the various programs like quality improvement, energy saving and also the modification of the paper machine 1, undertaken by the company were successfully implemented. The energy efficiencies achieved by the unit in reduction of power and steam consumption will benefit in the cost reduction and thereby increase in the bottom line.

## **CERTIFICATIONS**

The company is ISO certified with the ISO certification ISO 9001:2015 and 14001:2015 and the products manufactured are FSC certified and compliant.

## **CAPACITIES**

The modification of the paper machine 1 has resulted in 30% increase in the capacity i.e. from 60 TPD to 80 TPD. With this the unit now has the capacity to manufacture 30000 MT/Annum of various grades of specialty grade / tailor made paper. The company is continuously striving to improve quality of the products and add value for the customers.

## **PRODUCTS AND PRODUCTS LAUNCHES**

Increasing “Save Environment” awareness has set “Recycling” as new Mantra for future of Paper Industry. Keeping pace with this trend, your Company has launched a new product Kraft for Paper Bags under the brand “Mac D Kraft”, visualizing the growth in demand of Paper Bags due to global discouragement for the use of plastic bags.

We are planning to launch more value added papers for food, packaging replacing the one time plastic use. Our production is focused for domestic as well as for export markets.

## **MARKETING STRATEGIES**

The current Global production of various grades of Paper is around 400 million tons and this is expected to grow at the healthy rate of 5 to 7% per annum.

The increasing focus on export Markets is now showed results, Company grew its Exports of Absorbent Kraft to manufacturers of High value Laminates in South East Asia, Middle East & Europe. Demand for high value laminates is expected to rise at a steady pace. Demand is expected to increase primarily due to rise in the utilization of cabinets and ready-to-assemble furniture and floorings.

Our M G White and Colour tissue products are well accepted in the Global markets. These products are used for decorative Gift wrap to Mega-stores in India and across the world.

## **UNIT -NATH PAPER**

The performance of the unit has been satisfactory despite various economic and industry challenges. During the year, various measures were undertaken to enhance productivity production capacity. Production capacity is increased from 48000 MTPA to 66000 MTPA. With the investment in high efficiency steam condensate system, the unit hopes to achieve substantial savings in energy cost.

## **PRODUCTS**

Unit’s high GSM core boards and Thermal paper are well received in the market. Domestic market for man-made fiber has been growing for specialty grades of high ply bond paper. TTP500 and TTP 600 grade used in manufacturing of paper tubes in textiles and plastic films manufacturing industry. The unit also manufactures a specialty grade paper called Thermal Grade Paper, used for fax machines, ATMs & POS machines.

## **MARKETS**

The Unit has embarked on exports of core boards and we hope to build substantial export business.

## **CHEMICAL DIVISION**

### **UNIT-NATH CHEMICAL**

Chemical division specializes in manufacturing of sulphur based industrial chemicals. The state of the art modern plant has a capacity of 1,20,000 tons p.a. for manufacture of Sulphuric Acid, Oleums, Sulphur Trioxide and Chloro Sulphonic Acid. The company has also commissioned Thionyl Chloride plant with capacity of 16500 TPA as also Linear Alkyl Benzene Sulphonic Acid (LABSA) plant with a capacity of 16500 TPA.

The unit generates its own power from the waste heat generated in the process of manufacturing.

Our products are used in wide range of industries such as Textiles, Dyes, Fertilizers, Agrochemical, Pharmaceutical and specialty chemical industries. Labsa is used in the manufacturing of Soaps and detergents. Post COVID-19, the demand for Labsa has increased significantly.

Chemical unit is located strategically in the industrial hub of Gujarat at Vapi. Around 70% of the products are sold within the radius of 150 kms.

### **IMPACT OF COVID-19**

In March 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activities. Performance of your company was also adversely affected resulting in loss of production, sales & consequent profitability during first quarter of FY-2021. However, we expect normalcy to assume from the second quarter of FY-20/21.

### **FUTURE PLANS**

#### **PAPER DIVISION**

Your Company is implementing a project for co-generation by installing a High Pressure boiler of 20 TPH and condenser cum back pressure turbine of 2.50 MW capacity.

The project shall make unit self-sufficient in respect of power requirement resulting in substantial savings in energy cost.

### **CHEMICAL DIVISION**

- a. The company has planned to increase its present manufacturing capacity of sulphur based chemicals from 280 M.T. per day to 500 M.T. per day i.e. to 165000 TPA.
- b. As measure of forward integration, the company has decided to set up a plant for manufacturing of Acid Chlorides with a capacity of 8250 TPA. Apart from adding value, the project shall also minimize handling of liquid.

c. The company shall enhance capacity of Thionyl Chloride from 16500 TPA to 33000 TPA.

### **DIVIDEND**

In view of the proposed growth plans, the Directors have not recommended dividend for the financial year 2019-20.

### **TRANSFER TO RESERVES**

The Company has not transferred any amount from profit to general reserves.

### **SUBSIDIARY COMPANY**

The Company does not have any subsidiary.

### **PUBLIC DEPOSIT**

The Company has not accepted deposits 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 the Company regarding compliance of conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this report are given in **Annexure-II**.

### **NUMBER OF MEETINGS HELD DURING THE YEAR**

The details of all the meetings of Board of Directors and the Committees, which have taken place during the year and their details along with their attendance, is given in Para 2 of **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**.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Rules made there under, Mrs. Jeevanlata Kagliwal (DIN: 02057459) Director of the Company, shall retire by rotation at this Annual General Meeting and being eligible, offer herself for re-appointment, for which

necessary resolution has been incorporated in the notice of the meeting. The Board of Directors recommends the re-appointment of Mrs. Jeevanlata Kagliwal as a Director of the Company.

Mr Shrirang Agrawal (DIN 00119681) was appointed as Additional Director (Independent, Non-Executive) on the Board with effect from 21.03.2020 and who holds office till the date of AGM, in terms of section 161 of the Companies Act, 2013.

Mr Kashinath Iyer (DIN 01195975) was appointed as Additional Director (Independent, Non-Executive) on the Board with effect from 21.03.2020 and who holds office till the date of AGM, in terms of section 161 of the Companies Act, 2013.

The brief resume regarding their appointment at the ensuing Annual General Meeting is given in the Notice convening Annual General Meeting.

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

Based on the confirmations received from Directors, none of the Directors are disqualified from appointment under Section 164 of the Companies Act, 2013.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement Under Section 134 (3) (c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a. In the preparation of the annual accounts for the year ended March 31, 2020, the applicable Accounting Standards have been followed and there are no material departures from the same;
- b. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the State of affairs of the Company as at March 31,2020 and of the Profit of the Company for that period;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors had prepared the annual accounts of the Company on a going concern basis;
- e. The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

The statement of particulars of employees under section 197(12) of the Companies Act, 2013 and with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not provided with, as during financial year under review, no employee of the company including Whole Time Director were in receipt of remuneration in excess of the limits set out in the said rules.

The Company enjoyed excellent relationship with workers and staff during the year under review. The Company cares for their employees, Customers, suppliers, and community which reflects in company's policy, programs and development efforts. Your Company is committed to build and strengthen our human capital by defining policies that support their growth, goals, and help them achieve excellence.

### **EVALUATION OF BOARD**

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

### **INTERNAL CONTROL SYSTEM**

The Company has in place adequate internal financial controls with reference to financial statements. During the year no reportable material weakness in the design or operation were observed.

The company has clearly laid down policies, procedures and guidelines that forms part of internal control system which provides for automatic checks and balances. The internal control systems devised is commensurate with the size of its business operations. Internal financial controls and Internal Auditors reports are evaluated regularly by the Audit Committee of the Board.

Statutory Auditors Report on Internal Financial Controls as required under clause (i) of sub-section 2 of section 143 of the Companies Act, 2013 is annexed with the Independent Auditor's Report.

### **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 behaviour, actual or suspected, fraud or violation of the 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.ramapulp.com](http://www.ramapulp.com)

### **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company has Zero tolerance towards any action on the part of any one which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every women working with the Company. The Policy framed by the Company in this regard provides for protection against sexual harassment of women at workplace and for prevention and redressal of such complaints. During the year, the company has not received any

complaint of harassment. The detailed policy forms have been uploaded on the Website of the Company at [www.ramapulp.com](http://www.ramapulp.com).

### **RISK MANAGEMENT POLICY**

During the year, your Directors have constituted 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) (n) of Companies Act, 2013. The detailed policy forms part of the annual report, is given in **Annexure-V**.

### **STATUTORY INFORMATION**

The Company is basically into the Paper and Chemical business and is the member of BSE Platform.

### **STATUTORY AUDITORS**

The members, in the 36th Annual General Meeting held on 28<sup>th</sup> September, 2018, appointed M/S Vidya & Co., Chartered Accountants (Firm Registration No. 308022E), Mumbai as Statutory Auditors of the Company for a period of five years with effect from the conclusion of the 36th Annual General Meeting to the conclusion of the 41st Annual General Meeting.

### **SECRETARIAL AUDITOR**

The board has appointed Ms. Neha P. Agrawal, Practicing Company Secretary to conduct Secretarial Audit for the Financial Year 2019-20. The Secretarial Audit Report is annexed herewith in **Annexure-VI** and does not contain any qualification, reservation or adverse remark.

### **AUDITORS REPORT**

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

With reference to the observation of auditors regarding transfer of title deeds of the amalgamating companies viz Nath Industrial Chemicals Limited and Nath Pulp and Paper Mills Limited, the company hereby informs that the legal formalities for transfer of titles deeds are under process.

### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of Related party transactions are provided in the Notes to Accounts accompanying the financial statements. Since all related party transactions entered into by the Company were in ordinary course of business and were on an arms length's basis, Form AOC-2 is not applicable to Company

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to the financial statements.

## **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.

## **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.

## **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**

Your Company is continuously taking initiatives to ensure the optimum utilization of energy available in day to day operations not only in offices but also at Plant and factory premises. Your Company uses energy efficient lighting devices, light fittings to save energy, capacitor bank/devices to maintain power factor and plant & equipment which are environment and power efficient.

### **(B) Technology Absorption**

Company has carried out R & D work for development of paper for paper bags and Absorbent Kraft Paper for laminates and improvement in the quality of Carbon Base Paper, Napkin Tissue Papers & Cream Wove 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.

### **(C) Foreign Exchange Earnings and Outgo**

The Company has incurred the following expenses in foreign currency during the financial year 2019-20. The rupee equivalent of that amount has been given hereunder:

Particulars	Rs. In Lakhs
Total Earnings	2,457.78
Total Expenditure	7,627.32

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Provisions of Sec 135 of the Companies Act, 2013 related to Corporate Social Responsibility (CSR) are attracted to the company for the first time in FY 2019-20. Amount of CSR to be spent in FY 2020-21 is Rs. 7.89 Lakhs.

## **ACKNOWLEDGEMENT**

The Board of Directors places its sincere appreciation for the dedicated services rendered by the employees of the company at all levels and the constructive co-operation extended by them. The Board of Directors would also like to express deep gratitude and appreciation for all the assistance and continuous support extended by all Shareholders, Customers, Financial Institutions, suppliers, other business associates and other stakeholders and their confidence in its management.

For and on behalf of the Board,

Ramniklal Salgia  
Director  
(DIN: 02704031)

Place: Mumbai  
Date: 31.08.2020

**Annexure – I**

<b>FORM NO. MGT 9</b>
<b>EXTRACT OF ANNUAL RETURN</b>
<b>as on financial year ended on 31.03.2020</b>
<b>Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management &amp; Administration) Rules, 2014.</b>

**I REGISTRATION AND OTHER DETAILS:-**

i	CIN	L21010MH1980PLC022820
ii	Registration Date	09.07.1980
iii	Name of the Company	Nath Industries Limited
iv	Category/Sub-category of the Company	Limited by Shares
V	Address of the Registered office & contact details	Nath House, Nath Road, Aurangabad 431005
vi	Whether listed company	Listed
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt Ltd. 1 <sup>st</sup> Floor, Bharat Tin Works Bldg., Opp Vasant Oasis, Makwana Road, Andheri (East), Mumbai - 400 059.

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

SL No	Name & Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
i	Paper	Group-170	79
ii	Chemical	Group-202	21

**III PARTICULARS OF HOLDING, SIBSIDIARY AND ASSOCIATE COMPANIES:-**

Company is not having any holding, subsidiary and associates companies.

IV **SHAREHOLDING PATTERN** (Equity Share capital break up as % to total Equity)  
i. **Category wise shareholding**

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 %
<b>A. Promoters</b>										
(1) Indian										
a) Individual/HUF	0	0	0	0	933	351	1284	0.00	1284	0.00
b) Central Govt. or State Govt.										
c) Bodies Corporate	2668059	0	2668059	24.26	14003037	6787	14009824	73.74	11341765	49.48
d) Bank/FI										
e) Any other										
<b>SUB TOTAL:(A) (1)</b>	2668059	0	2668059	24.26	14003970	7138	14011108	73.74	11343049	49.48
<b>(2) Foreign</b>										
a) NRI- Individuals										
b) Other Individuals										
c) Bodies Corp.										
d) Banks/FI										
e) Any other...										
<b>SUB TOTAL (A) (2)</b>										
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	2668059	0	2668059	24.26	14003970	7138	14011108	73.74	11343049	49.48
<b>B. PUBLIC SHAREHOLDING</b>										
<b>(1) Institutions</b>										
a) Mutual Funds	0	11400	11400	0.10	190	7473	7663	0.04	-3737	-0.06
b) Banks/FI	0	0	0	0	51865	5891	57756	0.30	57756	0.30
c) Central govt										
d) State Govt.										
e) Venture Capital Fund										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
i) Others (specify)										
<b>SUB TOTAL (B)(1):</b>	0.00	11400	11400	0.10	52055	13364	65419	0.34	54019	0.24
<b>(2) Non Institutions</b>										
a) Bodies corporate										
i) Indian	3312945	11300	3324245	30.23	2034665	20112	2054777	10.82	1269468	-19.41
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital up to Rs.2 lakhs	2806018	263494	3069512	29.90	2109266	193322	2302588	12.12	766924	-17.78
ii) Individuals shareholders holding nominal share capital in excess of Rs. 2 lakhs	1567950	38000	1605950	14.60	347053	0	347053	1.83	1258897	-12.77
c) Others (specify)										
i) Trust	0	0	0	0	1	0	1	0.00	1	0.00
ii) Clearing member	12418	0	12418	0.11	22781	0	22781	0.12	10363	0.01
iii) N R I	308416	0	308416	2.80	194234	2039	196273	1.03	112143	-1.77
iv) N R I (NON REPAT)	0	0	0	0	0	0	0	0	0	0.00
<b>SUB TOTAL (B)(2):</b>	8007747	312794	8320541	75.64	4708000	215473	4923473	25.92	3397068	-49.72
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	7918112	327744	8331941	75.74	4760055	228873	4988892	26.26	3343049	-49.48
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>										

**(ii) 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	0	0.00	-	480	0.00	-	-
2.Jeevanlata N. Kagliwal	0	0.00	-	213	0.00	-	-
3.Subhash Kagliwal	0	0.00	-	25	0.00	-	-
4.Mrs Sweta Kagliwal	0	0.00	-	180	0.00	-	-
5.Akash Kagliwal	0	0.00	-	181	0.00	-	-
6.Ashu Jain	0	0.00	-	181	0.00	-	-
7.Anil Kagliwal	0	0.00	-	24	0.00	-	-
8.NCFS Limited	0	0.00	-	823	0.01	-	0.01
9.Paresh Farms Pvt. Ltd	0	0.00	-	27151	0.14	-	0.14
10.Prabha Farms Pvt. Ltd	64250	0.58	-	32139	0.17	-	-0.41
11.Jeevan Farms Pvt. Ltd	129315	1.18	-	82157	0.44	-	-0.74
12.Akash Farms LLP	2474494	22.50	3.68	6927809	36.46	1.44	13.96
13.Ashu Farms LLP	0	0.00	-	5939745	31.26	-	31.26
14.Tapovan Paper and Board Mills Ltd	0	0.00	-	1000000	5.26	-	5.26
<b>Total</b>	<b>2668059</b>	<b>24.26</b>	<b>-</b>	<b>14011108</b>	<b>73.74</b>	<b>-</b>	<b>49.48</b>

**(iii) Change in Promoter's shareholding: -**

	No of Shares	% Holding
At the beginning of the year	2668059	24.26
At the end of the year	14011108	73.74

There is change in promoters holding during the year due to order passed by Hon'ble NCLT vide its order dated 22/08/2019 approving 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 as per its order Company has allotted shares to their shareholders including promoter shareholder as on 12.11.2019.

iv) **Shareholding Pattern movement of top 10 Share Holders (Other than Director, Promoters & Holders of GDR & ADRs)**

Sr No	Name	No. of Shares at the beginning of the year	% of total shares of the company	No. of Shares at the end of the year	% of total shares of the company
1	Mayo Farm LLP	1230984	11.19	615492	3.24
2	Tapovan Farms LLP	691000	6.28	276658	1.46
3	Ennar Star Trade Limited	491899	4.47	0	0.00
4	Ritman Concrete Pvt. Ltd.	223937	2.04	111968	0.59
5	Adesh Ventures LLP	468019	4.25	244798	1.29
6	Parampaul Uberoi	77017	0.70	38508	0.20
7	SCL Floriculture Pvt Ltd	63382	0.58	31691	0.17
8	Vijaypriya S Mollyn	97736	0.89	48868	0.26
9	Sudhir Laxman Nayak	78441	0.71	98704	0.52
10	Aejaz Ahmed Mohamed	37178	0.34	30920	0.21
11	Wexford Trading Co Pvt Ltd	0	0.00	333333	1.75
12	Malpani Financial Services Limited	0	0.00	245000	1.29
13	Preeti Krishnagopal Chandak	55685	0.51	15359	0.08

(v) **Shareholding of Directors & KMP: -**

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. Jeevanlata N. Kagliwal	0	0.00	-	213	0.00	-	-
<b>Total</b>	<b>0</b>	<b>0.00</b>	<b>-</b>	<b>213</b>	<b>0.00</b>	<b>-</b>	<b>-</b>

**V. INDEBTEDNESS:**

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

Rs. In Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the Beginning of the financial Year</b>				
i)Principal Amount	1,660.15	-	561.50	2221.65
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1660.15	-	561.50	2221.65
<b>Changes during financial year</b>				
Addition	391.95	4,523.28	-	4,915.23
(Reduction)	-	-	(561.50)	(561.50)
Net Change	391.95	4,523.28	(561.50)	4,353.73
<b>Indebtedness at the end of the Financial year</b>				
i)Principal Amount	2,052.10	4,523.28	-	6,575.38
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,052.10	4,523.28	-	6,575.38

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

Sr. No.	Particulars of remuneration	Rs in Lakhs
1	Akhilesh Sharma (Director) a) Salary as per provisions contained in section 17(1) of the Income Tax Act 1961 b) Value of perquisites u/s 17 (2) of the Income Tax Act 1961 Profits in lieu of salary u/s 17 (2) of the Income Tax Act 1961	18.68 -
	Total 1	18.68
	Ramniklal Salgia ( Director) a)Salary as per provisions contained in section 17(1) of the Income Tax Act 1961 b)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	19.73 -
	Total 2	19.73
	Abhaykumar Jain ( Director) a)Salary as per provisions contained in section 17(1) of the Income Tax Act 1961 b)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	22.27 -
	Total 3	22.27
	Amol Deo ( CFO) a)Salary as per provisions contained in section 17(1) of the Income Tax Act 1961 b)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	14.24 -
	Total 4	14.24
	Ms Nupur Lodwal (Company Secretary)	
	a)Salary as per provisions contained in section 17(1) of the Income Tax Act 1961 b)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	2.64 -
	Toal 5	2.64
	Grand Total 1 to 5	77.56

B. Remuneration to other directors: NIL

C. Remuneration to key managerial personnel other than MD/Manager/WTD: NIL

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES UNDER COMPANIES ACT:-**

There are no Penalties / Punishment/ Compounding of offences against the company / its directors / other officers in default during the year.

## Annexure - II

### CORPORATE GOVERNANCE REPORT

#### 1. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE:

Your company believes that sound and strong corporate governance leads to durable sustenance of business and generates long term value for all stake holders. Your company is committed to pursuing corporate governance practices based on professional excellence, business ethics and transparency. The Company believes that good corporate governance goes beyond fulfilling statutory requirements. Your company believes that corporate governance is more about creating culture of organizational excellence leading to increased satisfaction of all stakeholders.

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

The Board of Directors of the Company (Board) has optimum combination of Executive, Non-Executive Independent Directors as provided in the Listing Agreement to ensure independency and transparency in managerial decision making in Board and Committee Meetings, to secure the interest of the company, its employees, stakeholders and creditors. As on 31st March 2020 Board comprises Three Whole Time Director, One Promoter Director and two Independent Non Executive Directors. The details of the composition of the Board of Directors and details of other directorship held by them, during the year are mentioned as below:

Name	Category	No of outside Directorship held in Public Limited Companies	Committee Membership	Committee Chairmanship
Mr. Akhilesh Sharma	Executive Director	0	-	-
Mr. Ramniklal salgia	Executive Director	0	1	-
Mr. Abhaykymar Jain	Executive Director	0	-	-
MrsJeevanlata Kagliwal	Non-Executive Women Director	6	2	-
Mr. Shrirang Agrawal	Non-Executive & Independent Director	7	7	1
Mr Kashinath Iyer Ganpathy	Non-Executive & Independent Director	5	8	5

#### 3. Meeting and Attendance record of each Director

During the year ended 31<sup>st</sup> March 2020, eight meetings of the Board were held on the following date:

- (1) 30.05.2019 (2) 06.08.2019 (3) 31.08.2019 (4) 09.10.2019 (5) 12.11.2019  
(6) 20.11.2019 (7) 14.02.2020 (8) 21.03.2020.

The attendance record of the Directors at the Board Meetings held during the year ended 31<sup>st</sup> March, 2020 and the last Annual General Meeting (AGM) of the Company are as under:

<b>Name of the Director</b>	<b>Board Meetings</b>	<b>Last AGM ( Y/N)</b>
Mr. Akhilesh Sharma	8	Yes
Mr. Ramniklal Salgia	8	Yes
Mr. Abhaykumar Jain	8	Yes
Mrs Jeevanlata Kagliwal	6	Yes
Mr. Shrirang Agrawal	1	No
Mr Kashinath Iyer Ganpathy	1	No

#### **4. Audit Committee:**

The Audit Committee is constituted in line with provisions of Corporate Governance of Listing Regulation read with Section 177 of the Companies Act 2013.

#### **Composition, attendance and dates of Meetings:**

During the financial year 2019-20, Composition of Audit Committee and the meetings attended by members are as follows:

Name of Directors	Categories	No. of Meeting Attended
Shri Ramniklal Salgia	Chairman	Five
Shri Akhilesh K. Sharma	Member	Five
Shri Abhaykumar Jain	Member	Five
Shri Shrirang Agrawal	Chairman	-
Shri Kashinath Iyer Ganpathy	Member	-

During the Financial Year 2019-20, **Five Meetings** of the Audit Committee members were held on the following dates:

(1) 30.05.2019 (2) 06.08.2019 (3) 31.08.2019 (4) 09.10.2019 (5)14.02.2020

The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 52 (II) (D) and E of the Listing Agreement are as follows:

#### **Power of Audit Committee**

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

#### **Role of Audit Committee**

- Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- d) Reviewing, with the management, the annual financial statements before submission to the board for approval, with particulars reference to:
- i. Matter required being included in the Directors Responsibility Statement to be included in the Board's reporting terms of clause I of sub-section 3 of section 134 of the Companies Act
  - ii. Changes, if any, in accounting policies and practices and reasons for the same.
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications in the draft audit report.
  - viii. Reviewing, with the management, the quarterly and annual financial statements before submission to the board for approval.
  - ix. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take-up steps in this matter.
  - x. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
  - xi. Reviewing, the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  - xii. Discussion with internal auditors on any significant findings and follow up there on.
  - xiii. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
  - xiv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - xv. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - xvi. To review the functioning of the Whistle Blower Mechanism, in case the same is existing.
  - xvii. Approval of appointment of CFO (i.e. the whole-time Finance Director any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.

#### **Review of information by Audit Committee**

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

## 5. **NOMINATION AND REMUNERATION COMMITTEE:**

The nomination and remuneration committee is constituted in line with provisions of Corporate Governance of Listing Regulation read with Section 178 of the Companies Act'2013.

### **Composition, attendance and dates of Meetings:**

During the financial year 2019-20, Composition of nomination and remuneration committee and the meetings attended by members are as follows:

Name of Directors	Categories	No. of Meeting Attended
Shri Ramniklal Salgia	Chairman	Four
Mrs Jeevanlata Kagliwal	Member	Four
Shri Abhaykumar Jain	Member	Four
Shri Shrirang Agrwal	Chairman	-
Shri Kashinath Iyer Ganpathy	Member	-

### **Meetings and Attendance during the year:**

During the Financial Year 2019-20, Four Meetings of the Committee were held on the following dates:

(1)30.05.2019 (2) 06.08.2019 (3) 09.10.2019 (4)14.02.2020

### **Terms of reference**

The role of the committee shall, inter-alia include the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- b. Formulation of criteria for evaluation of Independent Directors and the Board.
- c. Devising a policy on Board diversity.
- d. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The formal annual evaluation of the Board and its committees and Individual Directors is done on the basis of the criteria formulated by the Nomination and Remuneration Committee.

### Details of Remuneration to all the Directors and/or Managers

Particulars of Remuneration	Shri Akhilesh Sharma – Executive Director	Shri Abhaykumar Jain Executive Director	Shri Ramniklal Salgia – Executive Director	Mrs. Jeevanlata Nandkishor Kagliwal – Non – Executive Promoter Director	Shri Shrirang Agrawal Independent Non – Executive Director	Shri Kashinath Iyer-Independent – Non – Executive Director	Shri Amol Deo CFO	Ms. Nupur Lodwal Company Secretary
Salary as per Provisions of Section 17(1) of I.T.Act,1961	18.68	22.27	19.73	NIL	NIL	NIL	14.24	2.64
Perquisites as per Provisions of Section 17(2) of I.T.Act,1961	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Profit in view of Salary u/s 17(3) of I.T.Act, 1961	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Stock option/ Sweat equity/ commission/ others	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>18.68</b>	<b>22.27</b>	<b>19.73</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>14.24</b>	<b>2.64</b>

During the year no sitting fees paid to any Directors.

#### 6. STAKEHOLDER RELATIONSHIP COMMITTEE

The stakeholder relationship committee is constituted in line with provisions of Corporate Governance of Listing Regulation read with Section 178 of the Companies Act 2013.

##### **Composition, attendance and dates of Meetings:**

During the financial year 2019-20, Composition of stakeholders, relationship committee and the meetings attended by members are as follows:

Name of Directors	Categories	No. of Meeting Attended
Shri Ramniklal Salgia	Chairman	Four
Shri Akhilesh K. Sharma	Member	Four
Shri Abhaykumar Jain	Member	Four
Shri Shrirang Agrawal	Chairman	-
Shri Kashinath Iyer Ganpathy	Member	-

**Meetings and Attendance during the year:**

During the Financial Year 2019-20, Four Meetings of the Committee were held on the following dates:

(1) 30.05.2019 (2) 06.08.2019 (3) 09.10.2019 (4) 14.02.2020

**Terms of reference**

The Committee has been constituted to resolve the complaints and grievances of the investors/stakeholders and also to function in an efficient manner that all issues / concerns of stakeholders are addressed / resolved promptly.

**Name & Designation and Address of the Compliance Officer****Ms. Nupur Lodwal – Company Secretary**

Nath Industries Limited  
Office: 1, Chateau Windsor,  
86, Veer Nariman Road,  
Churchgate, Mumbai – 400 020

Ramesh Sidram Phadatare – Deputy General Manager,

Nath Industries Limited  
Office: 1, Chateau Windsor,  
86, Veer Nariman Road,  
Churchgate, Mumbai – 400 020

**Status of Complaints received, resolved and pending as on 31<sup>st</sup> March, 2020**

Number of Shareholders' Complaints pending at the beginning of the year	Nil
Number of Shareholders' Complaints received during the year	Two
Number of Shareholders' Complaints disposed during the year	Two
Number of Shareholders' Complaints remain unresolved at the end of the year	Nil

**7. GENERAL BODY MEETINGS**

The details of Annual General Meetings held during the last three years are as follows:

<b>Year</b>	<b>Day, Date and Time</b>	<b>Venue</b>
2016-17	19 <sup>th</sup> September, 2017 at 11.00 a.m.	Nath House, Nath Road, Aurangabad – 431 005
2017-18	28 <sup>th</sup> September, 2018 at 11.00 a.m.	Nath House, Nath Road, Aurangabad – 431 005
2018-19	30 <sup>th</sup> September, 2019 at 11.00 a.m.	Nath House, Nath Road, Aurangabad – 431 005

**POSTAL BALLOT**

No Postal Ballot was conducted during the financial year under review.

## **EXTRAORDINARY GENERAL MEETING:**

During the year under review, no Extra Ordinary Meeting was held.

## **8 DISCLOSURES**

### **Related Party Transaction**

The Company has no material significant transactions with its related parties which may have potential conflict with the interest of the Company at large.

All related party transactions that were entered into during the Financial Year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of related party transactions are provided in the Notes to Accounts accompanying the financial statements. Since all related party transactions entered into by the Company were in ordinary course of business and were on an arms length's basis, Form AOC-2 is not applicable to Company.

### **Statutory Compliance, Penalties and Structures**

The Company has complied with the requirements of the Stock Exchange / Securities and Exchange Board of India (SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or structures have been imposed on the Company on any matter related to capital markets during the last three years.

### **Whistle Blower Policy/Vigil Mechanism Policy**

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company has a formal Whistle Blower Policy / Vigil Mechanism Policy. The Directors of the Company affirms that no person have been denied access to the Audit Committee.

### **Reconciliation of Share Capital Audit**

In line with the requirements stipulated by SEBI, Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in national Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

## **9. MEANS OF COMMUNICATION**

The quarterly/half yearly/yearly financial results are regularly submitted to the Stock Exchange in accordance with the listing Agreement and also uploaded on the Company's website – [www.ramapulp.com](http://www.ramapulp.com)

In addition to the financial results, we publish/upload (on Company's Website) the other information too, as required to be published/upload (on Company's Website) under the

Companies Act, 2013 or The Listing Agreement or any other Laws applicable or as may be required in the public interest.

## 10. GENERAL SHAREHOLDERS MEETING

### a. Annual general meetings

Date, Time and Venue	Wednesday, 30 <sup>th</sup> September, 2020 at 3.30 p.m. at Nath House, Nath Road, Aurangabad – 431 005.
Financial Year	The Financial Year of the Company is from April 1 to March 31
Date of Book Closure	27 <sup>th</sup> September, 2020 to 29 <sup>th</sup> September, 2020 (both days inclusive).
Listing on Stock Exchanges	BSE
Scrip Code/ID	502587/NATHIND

### b. Financial Calendar (Tentative) :

Results for quarter ending 30 <sup>th</sup> June 2020	First week of August, 2020
Results for quarter ending 30 <sup>th</sup> Sep. 2020	Last week of Oct. 2020
Results for quarter ending 31 <sup>st</sup> Dec. 2020	First week of Feb. 2021
Results for quarter ending 31 <sup>st</sup> March 2021	Last week of May, 2021
Annual General Meeting	September 2021

### c. Status of listing fees: Paid for the year 2020-21.

### d. Registrar & Share Transfer Agents:

Bigshare Services Private Limited  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp.Vasant Oasis, Makwana Road,  
Marol, Andheri (E), Mumbai – 400 059.

### e. Demat ISIN Number in NSDL & CDSL for Equity Shares: INE777A01023 Corporate Identification Number: L21010MH1980PLC022820

### f. Stock Market Price Data:

Month	Stock Market Price		Month	Stock Market Price	
	High	Low		High	Low
April 2019	69.00	63.20	Oct. 2019	64.90	52.25
May 2019	70.00	60.00	Nov. 2019	64.90	55.40
June 2019	76.00	61.95	Dec. 2019	-	-
July 2019	69.00	56.00	Jan. 2020	122.40	98.10
Aug. 2019	72.40	57.75	Feb. 2020	112.35	92.70
Sept. 2019	65.00	57.75	Mar. 2020	100.20	66.75

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

- g. Share Transfer System: The Company's Shares are covered under compulsory dematerialization and are transferable through the Depository System. Shares sent for transfer in physical form are registered & returned within a period of thirty days from the date of receipt of the documents, provided the documents are valid and complete in all respects.
- h. Shareholding Pattern and Distribution of equity shareholding as on 31<sup>st</sup> March, 2020.
- i) Shareholding Pattern

Sr. No.	Category	No. of shares held	% of share holding
A	Promoters	1,40,11,108	73.74
B	Public	49,88,8952	23.26
	TOTAL	1,90,00,000	100.00

- ii) Distribution of Shareholdings as on 31<sup>st</sup> March, 2020

No. of Equity Share Held in Rs	No. of Share Holders	% of Share Holders	Amount in Rs.	% of Total
1-5000	29452	99.48	13974200	7.35
5001-10000	81	0.27	6202290	3.26
10001-20000	40	0.14	5594370	2.95
20001-30000	11	0.04	2646510	1.39
30001-40000	6	0.02	2204230	1.16
40001-50000	1	0.00	488680	0.26
50001-100000	4	0.01	3791480	2.00
100001-above	12	0.04	155098240	81.63
Total	29607	100%	190000000	100%

**i. Dematerialization of Shares and Liquidity:**

The shares are compulsorily traded in de-materialised form and available at both National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**j. Plant Location:**

- i) Unit Rama Paper : Plot No. 293-296, Phase II, G.I.D.C., Vapi – 396195 Gujarat.
- ii) Unit Nath Chemical : Plot No. 293-296, Phase II, G.I.D.C., Vapi – 396195 Gujarat.
- iii) Unit Nath Paper : Nath Nagar (north), Village Wahegaon, Taluka Paithan, Dist. Aurangabad.

**k. Address for Correspondence:**

Bigshare Services Private Limited  
(Registrar and Share Transfer Agents)  
1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp.Vasant Oasis, Makwana Road,  
Marol, Andheri (E), Mumbai – 400 059.  
Tel.No. +91-22-62638200  
Email: [investor@bighsareonline.com](mailto:investor@bighsareonline.com)

Nath Industries Limited  
Nath House, Nath Road,  
Aurangabad – 431 005  
Tel.No. +91-240-2376315/16/17  
Email: [investor@ramapulp.com](mailto:investor@ramapulp.com) Website: [www.ramapulp.com](http://www.ramapulp.com)

Nath Industries Limited  
1, Chateau Windsor, 86, Veer Nariman Road,  
Churchgate, Mumbai – 400 020  
Tel.No. +91-22-22875653/54/55  
Email: [investor@ramapulp.com](mailto:investor@ramapulp.com) Website: [www.ramapulp.com](http://www.ramapulp.com)

**l. Compliance Certificate of The Auditors**

Certificate from the Company's Auditors, M/s.Vidya & Co., 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.

**m. 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.

**n. 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, 2020.

For and on behalf of the Board,  
Ramniklal Salgia  
Director  
(DIN: 02704031)

Place : Mumbai  
Date: 31.08.2020

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members,  
Nath industries Limited  
Nath House, Nath Road,  
Aurangabad

1. We have examined the compliance of conditions of Corporate Governance by Nath Industries Limited ("The Company"), for the year ended on 31st March, 2020 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 Vidya & Co  
Chartered Accountants  
(Firm's Registration No. 308022E)

Amit Nagar  
PARTNER  
(Membership No. 056156)  
Mumbai, 24<sup>th</sup> July 2020

### CEO and CFO Compliance Certificate

We, Akhileshkumar Sharma, Executive Director and Amol Deo, Chief Financial Officer certify that:

a) We have reviewed the financial statements including the cash flow statement for the year ended 31st March, 2020 and to the best of our knowledge and belief:

i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii) these statements together present a true and fair view of the Company's affairs and are in compliance with Indian Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2020 are fraudulent, illegal or violative of the Company's code of conduct.

c) 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 pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in internal control over financial reporting during the year under reference;

ii) Changes in accounting policies consequent to the implementation of new Indian Accounting Standards (Ind AS) have been appropriately disclosed in the financial statements. The impact of the new Ind AS on the Company's financials is not material; and

iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Akhileshkumar Sharma  
Executive Director  
Mumbai 31.08.2020

Amol Deo  
Chief Financial Officer

### DECLARATION ON COMPLIANCE OF THE COMPANY'S CODE OF CONDUCT

To,  
Nath Industries Limited  
Nath House, Nath Road,  
Aurangabad

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to terms of Regulation 17(8) read with Part B of Schedule II of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 to further strengthen corporate governance practices of the Company.

All the members of the Board and Senior Management Personnel of the Company have affirmed due observance of the said Code of Conduct in so far as it is applicable to them and there is no non compliance thereof during the year ended 31<sup>st</sup> March, 2020.

For and on behalf of the Board,

Place: Mumbai  
Date: 31.08.2020

Ramniklal Salgia  
Director  
(DIN: 02704031)

## **Annexure III**

### **MANAGEMENT DISCUSSIONS AND ANALYSIS**

#### **1. Industry Overview**

##### **A PAPER INDUSTRY**

The paper is entering a new golden age. The world is now seeking an alternative to plastics, and although we are far from seeing paper being as cost-effective as plastic or having a similar functionality, every day new technology is being adopted to position paper as an evolving material with similar features of lightness, strength and ease of storage. Perhaps the biggest change has been in the mind-set of the crusaders of Green Earth. Paper is no longer considered destructive and wasteful but, very rightfully, as an asset. The practice of using paper instead of plastic is in its nascent stage, but it is just the beginning.

Prime Minister Narendra Modi wants India to eliminate single-use plastics by 2022, following on the footsteps of major nations around the world who are striving hard to eliminate the use of single-use plastics. The Indian government has drawn up legislation against single-use plastics.

As per the report of globenewswire.com dated 20th February 2020, The Indian paper & paper products market is projected to grow from \$8.6 billion in 2018 to \$13.4 billion by 2024, exhibiting a CAGR of 7.8% during 2019-2024.

Growing manufacturing sector, requirement of better quality packaging of FMCG products marketed through organized retail and the demand for the upstream market of paper products, such as tissue paper, filter paper, tea bags, light weight online coated paper and medical grade coated paper are expected to drive the paper & paper products market in India in coming years.

The waste & recycled paper segment is expected to dominate the market, owing to growing concerns about the cutting down of trees for producing pulp. Further, based on application, the market has been bifurcated into writing & printing paper, paperboard, packaging, newsprint and specialty paper.

Among the application segments, the demand for paperboard & packaging is growing at the fastest pace, as paperboard & packaging caters to industries including FMCG, food & beverages, textiles and pharmaceutical. The segment for speciality paper is also expected to dominate the market, owing to factors such as rising urbanization, increasing preference for ready-to-eat foods and requirement of better-quality packaging of FMCG products marketed through organized retail.

India's share in the demand for paper across the globe is growing, as the domestic demand is increasing at a steady pace, growing manufacturing sector, requirement of better quality packaging of FMCG products marketed through organized retail and the demand for the upstream market of paper products, such as tissue paper, filter paper, tea bags, light weight online coated paper and medical grade coated paper are expected to drive the paper & paper products market in India in coming years.

The strong demand of paper products has pushed the Indian paper industry to a new level. It is expanding to meet the growing demands of the people. Vast changes have taken place in the field of printing paper, tissues, newsprint and so forth. Modern management along with latest technological machines is used for the completion of various projects. Nowadays, foreign

investors are interested in setting up new plants for manufacturing paper to bring forth huge revenue to the paper industry.

The current greatest strength of the industry is the increasing demand for packaging products. As more people around the globe turn to online shopping or ecommerce, the demand for cardboard and other packing materials continues to remain strong. Other factors driving the success of the pulp and paper industry are the demand for hygiene products—like paper towels, toilet paper and disposable makeup wipes—and increased economic participation of the global middle class.

## **B. CHEMICAL INDUSTRY**

### **India's position as an emerging chemical hub**

India's chemical story is one of outperformance and promise. A consistent value creator, the chemical industry remains an attractive hub of opportunities, even in an environment of global uncertainty. Worldwide trends affecting the global chemical industry could lead to near-term opportunities for chemical companies in India.

The growth is likely to continue despite the economic challenges that caused India's GDP growth rate to drop to 4.5 % in the third quarter of 2019. A long-term perspective indicates that India has averaged an annual GDP growth of 7 % for the last 30 years. The country is also working on becoming a \$5 trillion economy. This long-term optimistic scenario bodes well for chemical companies, especially in light of a long investment cycle. Chemical companies can also benefit from rising domestic demand in chemical end-use sectors, India's attractiveness as a manufacturing destination and its improved ease of doing business.

Indian economy is basically an agrarian economy and even now nearly 68% of workforce directly or indirectly depends on agriculture. Rise in demand for phosphate fertilizers is driving the Indian sulphuric acid market. Growing application of sulphuric acid in processing of fertilizers and other industrial chemicals, coupled with rising initiatives by Government of India to collaborate with global manufacturing firms, are further expected to drive Indian sulphuric acid market. It is one of the extensively produced and consumed commercial chemicals globally. Sulphuric acid is the largest volume commodity chemical produced in the world. Fertilizers, especially phosphate fertilizers produced from wet-process phosphoric acid, is a major end-use industry of the sulphuric acid market.

In addition to the sulphuric acid, there will be great demand for the products like Oleum, Sulphur di oxide, Sulphur tri oxide which are used in textiles and Dyes industry.

The product Thionyl chloride is used in manufacturing of acid chlorides and pharmaceuticals which are the growing industries.

In COVID situation the consumption of detergents and liquid soap is at its peak and the major raw material to manufacture the soaps and detergents is LABSA, which is produced by us so there will be a huge demand for this products.

## **2. Opportunities and Threats**

### **PAPER INDUSTRY**

#### **China – turning from an exporter to an importer**

China has shifted its stance from being a net exporter of paper to net importer over the years. This is evident by the huge increase in the import volume of paper and paperboard in China. China's volume of paper import increased by 122% and its import value also saw an increase of 54%. Lower price and superior quality of imported paper and paperboard as compared to its domestic counterparts are the main reasons for this change in trend.

#### **Sustainable development - opportunities as well as threats**

The ban on plastic, on the other hand, presents tremendous opportunities for the paper industry to grow and diversify their products' uses. The demand for paper products is expected to skyrocket in the coming years as the world is getting more environmentally conscious and the demand for an alternative to plastic in people's daily lives grows.

#### **Economic slowdown - a marginal impact on the paper industry**

The industrial sector has been heavily affected by the current slowdown of the Indian economy, but the impact of the economic slowdown on the paper industry will be mitigated by several factors like increased use and awareness of sanitary and hygienic products, favourable younger demographic, better quality packaging requirement for FMCG products and the rise of e-commerce. The increasing demand for consumer durables and rising preference for packaged food and online delivery were also cited as factors which will soften the blow of the economic slowdown on the paper industry.

#### **Restriction on Import of recovered waste papers by China**

Restriction on import of recovered waste paper by Chinese Government resulted in decline in prices of recovered paper globally benefitting paper manufacturers using recovered paper / pulp as a key raw material.

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.

### **CHEMICAL INDUSTRY**

The structure of China's chemical industry is changing due to stricter environmental norms, tighter financing, and consolidation. While these shifts may benefit select large players in the long run, they could cause uncertainty for international players that source chemicals from China. That could create opportunities for India's chemical companies in certain value chains and segments, especially in the short term. Indian chemical companies will continue to benefit from the closure of plants in the China.

The demand for sulphuric acid in India is projected to reach 25,391 thousand tonnes by 2030, on account of increasing consumption of phosphate fertilizers across the country. Moreover, growing sulphuric acid use across various applications such as Phosphoric Acid for DAP/ NP/NP, Single Super Phosphate, Linear Alkyl Benzene Sulfonate, Dye Intermediates and Ammonium Sulfate is expected to drive the various products of the company.

Chemicals are a significant part of India's overall trade flow, consistently ranking third in imports and fourth in exports for the past five years. Today, India has a chemical trade deficit of \$ 15 billion. With the initiative of Government of India of Make in India, there is huge opportunity for a chemical industry in india.

Trade conflicts have erupted around the world, especially among China, the United States, and Western Europe. These have led to shifts in global supply chains, affecting bilateral trade between China and the United States, with possible repercussions for other economies. Large chemical markets that remain accessible in this scenario could present opportunities for chemical companies in India.

However, volatility in prices of raw materials and crude oil is likely to hamper the sulphuric acid market. Recovery methods employed for regeneration of sulphuric acid and elemental sulphur are projected to create lucrative opportunities in the market.

### **3. Internal Control Systems and their adequacy**

The company exercises adequate internal controls through internal audits and operational Reviews. Company has also installed ERP system 'PAPERBIZ'. The ERP system will help to effectively improve the entire internal control systems of the Company.

### **4. Financial performance with respect to operational performance**

The company has registered post merger EBIDTA of Rs.2930 Lakhs and a net profit before tax of Rs. 1874 Lakhs in the current year as against the pre-merger EBIDTA of Rs. 882 Lakhs and a net profit of Rs.433 Lakhs in the previous year.

### **5. Development in human resources/industrial relations front**

Your company considers the will and calibre of human resources as crucial to its success. Towards this end, your company organizes systematic programmes for on the job training and appropriate system of recognition and rewards. The industrial relations of your company continues to be cordial.

For and on behalf of the Board,

Ramnklal Salgia  
Director  
(DIN: 02704031)

Place: Mumbai  
Date: 31.08.2020

## 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 2019-20, ratio of the remuneration of the employees of the Company for the financial year 2019-20 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for F.Y.2019-20 (in Lakhs)	% increase in Remuneration in the F.Y. 2019-20
1	Shri Akhilesh Sharma	18.68	7.00%
2	Shri Ramniklal Salgia	19.73	NA
3	Mrs. Jeevanlata Kagliwal	NIL	NA
4	Shri Abhaykumar Jain	22.27	NA
5	Shri Amol Deo	14.24	21.19%
6	Ms. Nupur Lodwal	2.64	0%

## Annexure V

### RISK MANAGEMENT POLICY

The Company Nath Industries 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 Industries 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 breakdowns in internal control.
  - Review the nature and level of insurance coverage.

## ANNEXURE VI

### SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31.03.2020

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

To,  
The Members,  
Nath Industries Limited,  
1, Chateau Windsor,  
86, Veer Nariman Road,  
Church gate,  
Mumbai – 400 020

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Nath Industries Limited** (hereinafter call the company). 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 **M/s. Nath Industries Limited**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup>March, 2020** complied with the statutory Provisions listed hereunder and also that the Company has proper broad-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Nath Industries Limited** for the financial year ended on **31<sup>st</sup>March, 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act') to the extent applicable during the year:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. 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;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- vi. Other Laws Specifically Applicable to Company:-
- a. Contact Labour (Regulation & Abolition) Act, 1970.

I have also examined compliance with the applicable clauses of the followings:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations 2015;

During the year under review, the company has complied with the provisions of the act, rules, regulations and guidelines mentioned above.

**I further report that**, based on the information provided by the company, its officers and authorized representative, during the conduct of the audit and also on the review of reports of the company, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general laws.

**I further report that**, the compliance by the company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**I further report that**, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the Agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

**I further report that**, 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.

**I further report that**, during the audit period, there were no specific event/actions in pursuance of aforesaid laws, rules, regulations etc. having major bearing of the company affairs expect as ordered by Hon'ble 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 appointed date being 01<sup>st</sup> April 2017 and effective date being 25<sup>th</sup> October 2019 and name of company Rama Pulp and Papers Limited is changed to Nath Industries Limited effective from 15<sup>th</sup> November 2019.

Place: Aurangabad  
Date: 31.08.2020

Name of PCS: Neha P.Agrawal  
FCS No.: 7350  
C.P.No.: 8048

## **INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Members of M/s Nath Industries Ltd.**

### **1. Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Nath Industries Ltd, which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion & to the best of our information and according to the explanation given to us, the aforesaid Ins AS financial statements give the information required by the Companies Act, 2013, as amended (the act) in the manner so required and give a true & fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2020, its profit including other comprehensive income, its cash flow and changes in equity for the year ended on that date.

### **2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Accounting Standards referred to in section 129(1) of the Companies Act, 2013 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 & Section 134(5) of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**4.** An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**5.** We believe that the audit evidences obtained are sufficient and appropriate to provide a basis for our audit opinion.

## **6. Opinion**

In our opinion and to the best of information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;

(b) in the case of the Statement of Profit and Loss, of the profit for the year & its cash Flow. ended on that date

## **Report on Other Legal and Regulatory Requirements**

**7.** As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of subsection (11) of section 143 of the Companies Act 2013 and on the basis of such checks of the books and records of the company as we consider appropriate and according to the information and explanations given to us, we give in the Annexure `A` statement on the matters specified in paragraphs 3 and 4 of the Order.

**8.** As required by section 143(3) of the Act, we report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of audit;
- (ii) In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from examination of those books;
- (iii) The Balance Sheet, Statement of Profit and Loss & cash Flow statement and changes in equity dealt with by this Report are in agreement with the books of accounts;
- (iv) In our opinion, the aforesaid Ind AS financial statements including the Balance Sheet, Statement of Profit and Loss, comply with the Accounting Standards notified under the Act, read with Rule 7 of the Company's (Accounts) Rules, 2014 & read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- (v) On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, We report that none of the director is disqualified as on March 31, 2020, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (vi) In our opinion & to the best of our information and according to explanation given to us, we report as under with respect to other matters to be included in Auditors Report in accordance with Rule 11 of the companies (Audit & Auditors) Rule 2014.
  - i. The company does not have any pending litigation which would impact its financial position except Service Tax liability as per para (vii) (b) of the Annexure `A` of this report.
  - ii. The company did not have any long term contracts including derivative contracts, as such the question of commenting any material foreseeable losses there on does not arise

- iii. There has been no delay in transferring amounts required to be transferred, to The Investors Education & Protection Fund by the company.

Place: Mumbai

Date: 24 July 2020

For VIDYA & CO  
Chartered Accountants  
Firm Registration No.: Firm Reg. No. 308022E

Amit Nagar  
Partner  
Membership No: .056156  
UDIN: 20056156AAAADH9380

**The Annexure `A` referred to in paragraph 7 of our Report of even date to the members of M/s Nath Industries Ltd. on the accounts of the company for the year ended 31<sup>st</sup> March, 2020**

- i). a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- b) As informed to us, the fixed assets have been physically verified by the management during the year at reasonable intervals and we were informed that no material discrepancies have been noticed on such verification.

M/s Nath Pulp & Paper Ltd. and M/s Nath Industrial Chemicals Limited were merged in Nath Industries Ltd. (Formerly known as Rama Pulp & Paper Ltd) by order of Hon`ble NCLT dated 22nd August 2019

Title deeds of all immovable properties are held in the name of the company, except immovable properties belonging to two merged companies as under: `

**1. Nath Pulp and Paper Mills Limited:-**

Freehold land situated at Wahegaon Gut no 319 to 324, 50/2 to 50/6, 37/3

Freehold land situated at Issarwadi Gut no 54/1 to 54/5

Freehold land situated at Pimpalwadi 26/1,

Freehold Land situate at - Gut No 124 ( S No 54), Village Mudalwadi,

All above lands parcels are situated at Taluka Paithan, Dist Aurangabad,

Maharashtra - 431 148

Gross Value Rs. 5136.63 lakhs

Net Value Rs. 5136.63 lakhs

Total Area 4,93,676 sq meter

**2. Nath Industrial Chemicals Limited:-**

Lease hold land situated at Plot no 294- 295, Phase 2, Industrial Estate, GIDC, Vapi-Gujarat - 396 195.

Gross Value Rs. 4682.40 lakhs

Net Value Rs. 4452.11 lakhs

Area 39020 sq meters,

We have been informed that transfer of above all lands parcels are in the process.

- ii). a) Physical verification of the inventory has been conducted at reasonable intervals by the management,
- b) Procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
- iii). a) Company has granted Unsecured loans & advances to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013.

- b) Receipt of the principal amount are regular. However receipt of interest is not regular.
- c) If overdue amount is more than one lacs, reasonable steps have been taken by the company for recovery of the principal and interest.
- iv). In our opinion & according to information & explanation given to us, there are adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. There is no major weaknesses in the internal control system Hence questions of correcting internal control system do not arise.
- v). The company has not accepted deposits, Hence question of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 companies Act 2013 or any other relevant provisions of the companies Act 2013 and the rules framed there under, are not applicable to the company,
- vi). We have broadly reviewed the cost records maintained by the company pursuant to the order of the Central Government under sub-section (1) of section 148 of the Act and are the opinion that, prima facie, the prescribed records have been made and maintained. We are, however, not required to make a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii).a) As per the records of the company and according to the information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, income tax, Goods & Service Tax, sales tax, wealth tax, custom duty, excise duty, cess, value added tax and other statutory dues, to the extent applicable to it.
- b) Company has not deposited disputed Service tax, & disputed Excise Duty In respect of Vapi Plant & Aurangabad Plant respectively as under. Appeal by the company are pending before Appellate Authorities.

<b>Particulars</b>	<b>Forum where the dispute is pending</b>	<b>Amount Rs</b>	<b>Period to which the Amount Relates</b>
Service Tax	Unit –Rama Paper-Customs Excise & Service Tax Appellate Tribunal, Ahmedabad.	2,59,56,040/-	16.05.2008 to 31.03.2010
Excise Duty	Unit- Nath Paper -Commissioner of Central Excise Aurangabad	74,36,435	2010-2011 to 2014-2015

- c) During the year company has transferred amounts, required to be transferred, to The Investors Education & Protection Fund & There is no delay in transferring funds.
- viii). There are no accumulated losses at the end of the financial year of the company and neither any cash losses is incurred in such financial year or in the immediately preceding financial year.

- ix). The company has not defaulted in repayment of dues for loans from Financial institution or bank or debenture holders
- x) The company has given guarantee of Rs.6.00 crores for loan taken by others from the bank, the terms & conditions whereof are not prejudicial to the interest of the company.
- xi) The company has neither raised any funds by way of public issue nor taken any term loans and thus the clause 3 (ix), whether term loans were applied for the purpose for which they were obtained, is not applicable
- xii) According to the information and explanations given to us, no frauds on or by the company have been noticed or reported during the year.
- xiii) Managerial Remuneration paid is in accordance with the requisite approval mandated by the provisions of section 197 read with schedule V of the companies act 2013.
- xiv) In our opinion & according to the information & explanation given to us, The company is not a nidhi company. Accordingly paragraph 3(xii) of the order is not applicable.
- xv) In our opinion & according to the information & explanation given to us, transactions with the related parties, where applicable, according to section 177 & 188 of the Companies Act 2013, & have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standard.
- xvi). Company has not made any preferential allotment/ Private placement of shares or Debentures during the year under review, except shares allotted to the share holders of Nath Pulp & Papers Ltd. and Nath Industrial Chemicals Ltd. pursuant to the scheme of Merger approved by Hon`ble NCLT by order dated 22<sup>nd</sup> August 2019.
- xvii). Company has not entered in to non cash transactions with Directors or persons connected with him as referred in section 192 of the Companies Act, 2013 .
- xviii). Company is not required to be registered under u/s 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai  
Date: 24th July 2020

For VIDYA & CO  
Chartered Accountants  
Firm Registration No.: Firm Reg. No. 308022E

Amit Nagar  
Partner  
Membership No: 056156  
UDIN: 20056156AAAADH9380

## **Annexure B to the Auditors' Report**

Report on the Internal Financial control under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013 ( the Act )

We have audited the Internal Financial controls over financial reporting of M/s Nath Industries Ltd as of 31st March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control 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 Companies Act 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial Reporting ( the Guidance Note') and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Company Act, 2013 to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **Meaning of Internal Financial Controls Over Financial Reporting.**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements of 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 details, 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 preparing of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisitions, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of 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**

In our opinion, 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 2020 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.

For VIDYA & CO  
Chartered Accountants  
Firm Registration No.: Firm Reg. No. 308022E

Amit Nagar  
Partner  
Membership No: 056156  
UDIN: 20056156AAAADH9380

Place: Mumbai  
Date: 24th July 2020

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Balance Sheet as at March 31, 2020  
L21010MH1980PLC22820

(amount in Lakhs)

Particulars	Note No.	As on 31.03.2020	As on 31.03.2019
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	2	20,518.44	5,358.39
(b) Capital work-in-progress	3	52.34	22.33
(c) Financial assets		-	
(i) Investments	4	183.69	508.06
(ii) Security Deposits	5	411.51	232.64
(iii) Deposits with Banks- Earmarked	6	16.29	16.29
(iv) Loans and Advances	7	901.79	288.93
(d) Other non-current assets	8	3,190.76	2,068.58
		25,274.82	8,495.22
<b>Current assets</b>			
(a) Inventories	9	2,978.87	1,085.05
(b) Financial assets			
(i) Trade receivables	10	4,513.18	2,042.92
(ii) Cash and bank balances	11	249.59	3.62
(iii) Other Current Financial Asset	12	86.05	45.40
(c) Other current assets	13	1,357.72	221.31
		9,185.41	3,398.30
<b>Total Assets</b>		<b>34,460.23</b>	<b>11,893.52</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	14	1,900.00	1,100.00
(b) Other equity	15	19,448.53	6,967.54
		21,348.53	8,067.54
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16	439.67	101.40
(ii) Deferred Sales Tax Liabilities payable as per Govt Scheme	17	3,386.48	-
(b) Provisions	18	529.95	65.36
(c) Deferred tax liabilities (net)	19	2,494.79	414.46
		6,850.89	581.22
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	2,327.08	2,026.77
(ii) Trade payables	21	2,211.32	841.67
(iii) Other financial liabilities (other than those specified in item (c) )	22	422.16	31.98
(b) Other current liabilities	23	648.43	188.93
(c) Provisions	24	291.81	138.35
(d) Current Tax Liabilities (net)	25	360.01	17.06
		6,260.81	3,244.76
<b>Total Equity and Liabilities</b>		<b>34,460.23</b>	<b>11,893.52</b>
Significant Accounting Policies and notes form an integral part of Financial Statements	1 & 34 to 48		

IN TERMS OF OUR REPORT ATTACHED  
FOR VIDYA & CO  
CHARTERED ACCOUNTANTS  
FIRM REG. NO. 308022E

AMIT NAGAR  
(PARTNER)  
M NO. 056156  
UDIN:- 20056156AAAADH9380  
PLACE: MUMBAI  
24th Jul 2020

FOR AND ON BEHALF OF THE BOARD

AKHILESH K SHARMA  
(DIRECTOR)

ABHAYKUMAR JAIN  
(DIRECTOR)

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Statement of Profit and Loss for the year ended March 31, 2020  
L21010MH1980PLC22820

(amount in Lakhs)

Particulars	Note No.	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Income</b>			
Revenue from operations (net)	26	29,920.54	13,734.90
Other income	27	186.58	25.94
<b>Total income</b>		<b>30,107.12</b>	<b>13,760.84</b>
<b>Expenses</b>			
Cost of material consumed	28	17,288.18	6,755.24
Purchase - Trading	29	58.23	2,450.57
Changes in inventories	30	10.58	-17.43
Employee benefits expense	31	1,922.70	521.49
Finance costs	32	443.00	196.89
Depreciation and amortization expense	2	613.31	251.63
Other expenses	33	7,897.55	3,169.59
<b>Total expenses</b>		<b>28,233.55</b>	<b>13,327.98</b>
<b>Profit / (loss) before tax</b>		<b>1,873.57</b>	<b>432.86</b>
<b>Tax expense :</b>			
(1) Current tax		356.70	121.58
(2) Deferred tax		268.01	-66.96
(3) Mat Credit:-			
F.Y. 2018-19		-557.31	-
F.Y. 2019-20		-15.03	-
<b>Total</b>		<b>52.37</b>	<b>54.62</b>
<b>Profit / (loss) for the period</b>		<b>1,821.20</b>	<b>378.24</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss		-363.74	60.03
(ii) Income tax related to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax related to items that will be reclassified to profit or loss		-	-
<b>Total comprehensive income for the period</b>		<b>1,457.46</b>	<b>438.27</b>
<b>Earnings per equity share</b>			
(1) Basic		9.59	3.44
(2) Diluted		9.59	3.44
Significant Accounting Policies and notes form an integral part of Financial Statements	1 & 34 to 48		

IN TERMS OF OUR REPORT ATTACHED  
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CHARTERED ACCOUNTANTS  
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AMIT NAGAR  
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M NO. 056156  
UDIN:- 20056156AAAADH9380  
PLACE: MUMBAI  
24th Jul 2020

FOR AND ON BEHALF OF THE BOARD

AKHILESH K SHARMA  
(DIRECTOR)

ABHAYKUMAR JAIN  
(DIRECTOR)

(amount in Lakhs)

Particulars	For the Year Ended		For the Year Ended	
	31st Mar, 2020		31st Mar, 2019	
<b>A. Cash flow from operating activities</b>				
Net Profit / (Loss) after Tax		1,821.20		378.24
<u>Adjustments for:</u>				
Depreciation and amortisation	613.31		251.63	
Finance costs	443.00		196.89	
Tax Expenses	624.71		54.61	
Mat Credit Income	-572.34		-	
Interest income	-47.56		(25.64)	
Bad Debts Written Back	-5.21		-	
Dividend Income	-0.14		-	
Gain on Sale of Land	-74.20		-	
Change in Deferred Tax Liability	-		(66.96)	
Change in Current Tax	-		(86.75)	
Provision for Employee Benefits	98.72		12.82	
		1,080.29		336.60
Operating profit / (loss) before working capital changes		2,901.49		714.84
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	-124.37		70.53	
Trade receivables	-569.23		(425.80)	
Security Deposits	51.44		-	
Non-Current Financial Assets	-		(3.48)	
Other non-Current Assets	-299.39		-	
Current Financial Assets	-8.08		(0.06)	
Other Current Assets	-65.02		(28.84)	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	-256.96		385.66	
Other current liabilities	152.20		26.66	
Income tax Paid	-21.37		(54.61)	
Provision for Expenses Paid	-5.58		-	
Short Term Employee Benefits Paid	-56.48		34.10	
Long Term Employee Benefits Paid	14.62		-	
		-1,188.22		4.16
Net cash flow from / (used in) operating activities (A)		1,713.27		719.00
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	-1,029.67		(827.09)	
Change in Capital work in progress	-5.94		39.28	
Investment in Shares	-39.15		(36.34)	
Advance given for Land Development	-19.83		(795.60)	
Advance given for purchase of Land	-482.90		-	
Loans and advances Given	-71.98		-	
Redemption of Mutual Fund	800.52		-	
Proceed from Sale of Land	113.36		-	
Interest received	47.56		25.64	
Dividend Received	0.14		-	
Gain on Sale of Land	74.20		-	
		-613.70		-1,594.10
Net cash flow from / (used in) investing activities (B)		-613.70		-1,594.10
<b>C. Cash flow from financing activities</b>				
Increase / (Repayment) of Inter corporate Deposits	-865.60		486.82	
Increase / (Repayment) of Long term Borrowings	-110.63		92.94	
Increase in Deferred Sales Tax Liability	373.08		-	
Increase / (Repayment) of Short-term borrowings from Banks	-173.00		489.19	
Finance cost	-443.00	-1,219.14	(196.89)	872.06
Net cash flow from / (used in) financing activities (C)		-1,219.14		872.06
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		-119.57		-3.04
Cash and cash equivalents at the beginning of the year		3.62		6.66
Add:- Cash and Bank balance acquired on amalgamation		365.55		0.00
Cash and cash equivalents at the end of the year		249.59		3.62
Comprises: Cash and Cash Equivalents				
(a) Cash on hand		9.95		1.89
(b) Balances with banks in Current Accounts		239.64		1.73
		249.59		3.62
<p>IN TERMS OF OUR REPORT ATTACHED FOR VIDYA &amp; CO CHARTERED ACCOUNTANTS FIRM REG. NO. 308022E</p> <p style="text-align: center;">FOR AND ON BEHALF OF THE BOARD</p> <p style="text-align: center;">AKHILESH K SHARMA (DIRECTOR)</p> <p>AMIT NAGAR (PARTNER) M NO. 056156 UDIN:- 20056156AAAADH9380 PLACE: MUMBAI 24th Jul 2020</p> <p style="text-align: center;">ABHAYKUMAR JAIN (DIRECTOR)</p>				

## **NOTE NO. 1**

### **NOTES FORMING PART OF FINANCIAL STATEMENTS AS ON 31<sup>st</sup> March 2020**

#### **A. GENERAL INFORMATION:**

**Nath Industries Limited –CIN L21010MH1980PLC22820 (Formerly known as Rama Pulp and Papers Limited)** (the ‘Company’) is a public company limited by shares domiciled in India and is incorporated under the provision of the Companies Act applicable in India.

Company’s registered office is located at Nath House, Nath Road, Aurangabad (Maharashtra) and its manufacturing facilities are situated at Paithan (Maharashtra) & Vapi (Gujrat) .The Company is mainly engaged in the business of manufacturing and selling of various types of industrial & specialty papers and industrial chemicals.

The equity shares of the Company are listed on the Bombay Stock Exchange Limited in India.

The financial statements were approved and authorized for issue in accordance with the resolution of the Company’s Board of Directors on 24<sup>th</sup> July 2020.

#### **Brief information about Merger:**

Rama Pulp and Papers Limited had applied for scheme of amalgamation of Nath Industrial Chemicals Limited (a chemical manufacturing company) and Nath Pulp and Paper Mills Ltd( a paper manufacturing company ) with Rama Pulp and Papers Limited which was approved by Hon’ble National Company Law Tribunal (NCLT) vide order dated 22.08.2019. The appointed date of amalgamation is 01.04.2017 and the effective date of amalgamation is 25.10.2019. After the amalgamation, the name of Rama Pulp and Papers Limited is changed to Nath Industries Limited.

This scheme of amalgamation is effected by Purchase Method. Since the effective date of amalgamation is 25.10.2019, audited figures for previous year are given of stand-alone Nath Industries Limited (formerly known as Rama Pulp and Papers Limited) and hence they are not comparable.

#### **Some of the important highlights of the scheme of amalgamation are reproduced hereunder**

##### **Reduction of the issued ,Subscribed and Paid up Capital of the Company:**

5.1 As an integral part of the Scheme, the issued, subscribed and paid up equity share capital of the Transferee Company shall stand reduced by reducing the face value of the equity shares from the present sum Rs. 11,00,00,000 divided into 1,10,00,000 equity shares of Rs. 10/-each fully paid up to Rs. 5,50,00,000 divided into 1,10,00,000 equity shares of Rs.5/-each fully paid up.

5.2 Simultaneously with the reduction of Share Capital in accordance with clause 5.1 of the Scheme above the reduced face value of Rs 5/- each shall be consolidated into Equity Shares of Rs 10/- each fully paid up. Accordingly the Transferee Company shall issue to its shareholders 1 (One) Equity Shares of Rs 10/- each for every 2(Two) Equity Shares of the face value of Rs 5/-each after effecting reduction.

5.3 If any shareholder of the Transferee Company becomes entitled to fractional shares, entitlements on the issue and allotment of equity shares by the Transferee Company in accordance with Clause 5.1 and 5.2 of this Scheme, the Board of Directors of the Transferee Company shall consolidate all such fractional entitlements and shall, without any further application, act, instrument or deed, issue and allot such consolidated Equity Shares directly to an individual trust or a board of trustees or a corporate trustee nominated by the Transferee Company (the “Trustee”), who shall hold such equity shares with all additions or accretions thereto in trust for the benefit of the respective shareholders, to whom they belong and their respective heirs, executors, administrators or successors for the specific purpose of selling such equity shares in the market at such price or prices and on such time or times, as the Trustee may in its sole discretion decide and on such sale pay to shareholders of the Transferee Company, the net sale proceeds thereof and any additions and accretions, whereupon the Transferee Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of the Transferee Company in proportion to their respective fractional entitlements.

5.4 The amount of equity share capital of the Transferee Company so reduced pursuant to clause 5.1 above shall be credited to Capital Reserve Account in the books of the Transferee Company.

5.5 The reduction in the face value of the existing equity shares of Rs. 10/- each of the Transferee Company to face value of Rs.5/-each amounting to Rs. 11,00,00,000/-/(Rupees Eleven crores only) as mentioned in Clause 5.1 above shall be effected as an integral part of this Scheme without having to follow the process under Sections 66 of the Act separately and the Order of the Hon’ble Tribunal sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Act for the purpose of confirming the reduction. Further, RPPL shall not be required to add the words “and reduced” as a suffix to its name consequent upon such reduction.

5.6 Upon the Scheme coming into effect on and from the Record Date as may be fixed by the Board of Directors of the Transferee Company, equity Shares held by the shareholders shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company. The Transferee Company shall issue new share with revised number of equity shares (as adjusted for capital reduction and consolidation in terms of clause 5.1 and 5.2 of the Scheme) to Equity Shareholders, whose names appear in the Register of Member on the Record Date as may be fixed by the Board of Directors of the Transferee Company in same form in which they were held.

5.7 The equity shares of the Transferee Company issued in terms of this Scheme will be listed and/or admitted to trading on the stock exchanges where the shares of the Transferee Company are listed and/ or admitted to trading on BSE.

5.8 It is clarified that Equity Shares to be issued by the Transferee Company in pursuance to the amalgamation in accordance with clause 10.1 of the Scheme will not be subjected to reduction and consolidation as contemplated in clause 5.1 of the Scheme, as swap ratio was adjusted taking into account reduction and consolidation as above.

5.9 The reduction of the Share Capital and consolidation shall be effected, as an integral part of the Scheme itself and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

5.10 Addition of the words “AND REDUCED” in the name of the Transferee Company is dispensed with.

**Accounting treatment:-**

11.1 Upon the Scheme coming into effect, the Transferee Company shall account for the amalgamation in its books in accordance with principles as laid down in the applicable Indian Accounting Standards, including, Ind AS 103–“Business Combinations” notified under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other applicable accounting standards prescribed under the Act and accounting principles accepted in India.

11.2 In case there is any difference in the accounting policies adopted by the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company will prevail and the difference will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

11.3 If there are any loans, advances or other obligations (including but not limited to any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form) that are due between the Transferor Companies and the Transferee Company or between any of the Transferor Companies inter-se, if any, shall, ipso facto, stand discharged and come to end and the same shall be eliminated by giving appropriate elimination effect in the books of account and records of the Transferee Company.

11.4 In addition, the Transferee Company shall pass such accounting entries, as may be necessary, in connection with this Scheme, to comply with any of the applicable accounting standards and generally accepted accounting principles adopted in India

**12. Conduct of Activities by Transferor Companies till the effective date of Merger:**

With effect from the opening of the business as on the appointed date of the Scheme and up to and including the Effective Date:

**12.1** The Transferor Companies shall carry on or deemed to have carried on all their respective activities and shall be deemed to have held or stood possessed of and shall hold and stand possessed of all the said Assets for and on account of and in trust for the Transferee Company.

**12.2** All the profits or income accruing or arising to the Transferor Companies or expenditure or losses arising or incurred by the Transferor Companies shall for all purposes be treated and be deemed to be and accrued as the profits and income or expenditure or losses of the Transferee Company, as the case may be.

**12.3** The Transferor Companies shall carry on its respective activities with reasonable diligence, business prudence and shall not alienate, charge, mortgage, encumber or otherwise deal with the said assets or any part thereof except in the ordinary course or pursuant to any pre-existing obligation undertaken by the Transferor Companies prior to the Appointed Date or except with prior written consent of the Transferee Company.

**12.4** The Transferor Companies shall not, without prior written consent of the Transferee Company, undertake any new activities.

**12.5** The Transferor Companies shall not, without prior written consent of the Transferee Company, take any major policy decisions in respect of management and activity of the Company and shall not change its present capital structure.

**12.6** The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which the Transferee Company may require pursuant to this Scheme

## **B. SIGNIFICANT ACCOUNTING POLICIES.**

### **a) Basis of Preparation & 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 its operating cycle as 12 months for the purpose of current classification of assets and liabilities.

### **(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**

Other Income such as 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 entitlements (arising out of Duty Drawback and MEIS) are recognized when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

**(c) Use of Estimates:**

The preparation of the financial statements in conformity with the Indian generally accepted accounting principles requires making judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of the reporting period. Although these estimates are based on the Managements best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**(d) Property ,Plant & Equipment:**

- i. Property, Plant & Equipment of amalgamating companies are recorded at its fair value determined as on the appointed date of amalgamation i.e. 01.04.2017.
- ii. Land and Building held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at fair value less accumulated depreciation and impairment losses. Freehold land is not depreciated while lease hold land is amortized over its balance lease life.
- iii. 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 into appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
- iv. Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.
- v. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

- vi. Machinery spares procured along with the plant and machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery. If the cost of such spares is not known particularly when procured along with the mother plant, these are capitalized and depreciated along with the mother plant. The written down value (WDV) of the spares is charged as revenue expenditure in the year in which such spares are consumed. Similarly, the value of such spares procured and consumed in a particular year is charges as revenue expenditure in that year itself.
- vii. Subsequent expenditure related to an item of fixed asset is added back to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance.
- viii. All the other expenses of existing fixed assets, including day to day repair and maintenance expenditure, are charged to the statement of profit and loss account to the period during which such expenses are incurred.
- ix. Replacement of any part of the plant and machinery, which are of capital nature, are capitalized along with the main plant and machinery and cost of the replaced part is written off. In case the cost of the replaced part is not identifiable, the equal value of replacement is deducted from the existing gross block of that asset.

**(e) Capital work in Progress:**

Expenditure related to and incurred during the construction / 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. Capital Work in Progress is transferred to the respective assets to the extent the construction/erection of Assets has been completed at the end of reporting period.

**(f) Depreciation /Amortization:**

- i) Depreciation on tangible Property, plant and equipment is provided for on basis of useful life specified in Schedule II to the Act.
- ii) Depreciation is charged as per the provisions of Schedule II to the Act based upon useful life of Property, plant and equipment. The useful life is adopted for the purpose of depreciation is as under.
- iii) In case of assets taken over of the amalgamating companies except lease hold land, management has assessed the useful life of all assets as under and has considered such assets as new addition to the asset irrespective of period for which such assets are used by amalgamating companies. For leasehold land, the useful life is considered as the remaining lease hold period.

<b>Assets</b>	<b>F.Y. 2019-20 Use full Life</b>	<b>F.Y. 2019-20 Rate of Dep %</b>
<b><u>Building :</u></b>		
Pulp mill bldg, security cabin and flats	60	1.58
Site development, drainage, bldg. staff qtrs.	60	1.58
Factory building	30	3.17
Roads	10	9.50

<b><u>Plant &amp; Machinery :</u></b>		
Electrical installation, effluent treatment plant, gas cylinder	10	9.50
Energy conveyor equipment	10	9.50
Paper machine, gen plant & Machinery, boiler, Steam line pipe, DM plant, coal conveyor, water line	25	3.80
Energy saving equipment, steam turbine, bore well	25	3.80
Workshop plant & lab equip. Water meter	25	3.80
<b><u>Furniture, Fixture &amp; Equipment:</u></b>		
Furniture & fixture, air conditioner	10	9.50
Office equipment	5	19.00
HF Transmitter	5	19.00
Water cooler	5	19.00
Computer	3	31.67
<b><u>Vehicles :</u></b>		
Van and Scooter	10	9.50
Motor Car	8	11.88
Pay Loader	8	11.88

- iv) The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.
- v) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are classified as 'Capital Advances' under other non-current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work in Progress.
- vi) Leasehold land is amortized over the remaining lease hold period.

**(g) Intangible Assets**

Intangible assets (Computer Software) has a finite useful life and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Computer Software for internal use, which is primarily acquired from third-party vendor is capitalized. Subsequent costs associated with maintaining such software are recognized as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized. Amortization Method and Period Computer software are amortized on a pro-rata basis using the straight-line method over their estimated useful life of 5 years, from the date they are available for use. Amortization method and useful lives are reviewed periodically including at each financial year end.

**(h) Impairment of Tangible and Intangible Assets:**

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 or 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.

**(i) Borrowing Costs:**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

**(j) Investments:**

- (i) Investments which are readily realizable and intended to be held for not more than a year, from the date of acquisition, are classified as current investments. All other investments are classified as non-current investments
- (ii) On initial recognition, all investments are measured at cost. The Cost comprises purchase price and directly attributable acquisition charges such as brokerages, fees and duties. If an investment is acquired, or partly acquired, by the issue of share or other securities, the acquisition cost is the fair market value of the securities issued. If an investment is acquired in exchange for an another asset, the acquisition is determined by the reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

- (iii) Provision for diminution in value of investments is made to recognize a decline, other than temporary, in the value of investments. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower, determined on an individual basis.
- (iv) On disposal of an investment, the difference between its carrying amount and net disposal proceeds, is charged to or credited to the Statement of Profit & Loss.

**(k) Inventories:**

- (i) Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on First in First out Method.
- (ii) Work-in-progress and finished goods are valued at lower of cost and net realizable value which includes appropriate production overheads.
- (iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- (iv) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**(l) Cash & Cash Equivalents:-**

In the Cash Flow Statement, Cash & cash equivalents comprises cash in hand and demand deposit with banks. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and cash in hand and short-term investments with an original maturity of twelve months or less.

**(m) 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.

**(n) Loans & Borrowings:**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost using effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount

is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are de-recognized from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current and non-current liabilities based on repayment schedule agreed with banks.

**(o) Deferred Sales tax Liability:**

Deferred Sales Tax Liability is the sales tax liability pursuant to the company being eligible under package scheme of incentives (PSI-1988) of Government of Maharashtra. Company is eligible to collect the sales tax and defer its payment as per the Package scheme of Incentives. Accordingly Company recognizes the same as deferred sales tax liability as a non-current liability.

Deferred Sales Tax Liability which is payable in the current financial year is being recognized as current liability.

**(p) Taxes on Income**

**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 Asset /Liability**

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.

#### **(q) Foreign Currency Transactions:**

##### **i) Initial Recognition**

Foreign currency transaction are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transactions.

##### **ii) Conversion**

Foreign currency monetary items are translated using the exchange rate prevailing on the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of transaction. Non-monetary items which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate on the date when such value was determined.

#### **(r) Employee Benefits :**

##### **i) Defined Contribution Plan**

The company has defined contribution plan namely Provident Fund & Employees State Insurance Contribution, 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.

The Company recognized contribution payable to this fund/scheme as expenditure, when an employee renders the related services. If the contribution payable to these funds/schemes

for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the funds/schemes are recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

**ii) Defined Benefit Plan:**

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

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

Defined benefit costs are composed of:

(a) service cost – recognized in profit or loss; service cost comprises (i) current cost which is the increase in the present value of defined benefit obligations resulting from employee service in the current period, (ii) past service cost which is the increase in the present value of defined benefit obligations resulting from employee service in the prior periods resulting from a plan amendment, and (iii) gain or loss on settlement.

(b) re-measurement of the liability or asset - recognized in other comprehensive income.

(c) re-measurement 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

**Gratuity:**

The gratuity liability is determined on the basis of actuarial valuation as at year end. Provision in respect of leave encasement is made based on the basis of actual leave balance of employees at the end of the Year in accordance with Accounting Standard-15 on "Accounting for retirement Benefits in the financial statement of Employer" as issued by the Institute of Chartered Accountants of India.

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 independent actuarial valuations being carried out at each balance sheet date.

### **Leave Encashment:-**

The company provides for leave encashment liability of its employees who are eligible for encashment of accumulated leave based as on the balance sheet 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.

#### **(s) Financial Assets at Amortized Cost:**

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

#### **(t) Financial Assets at Fair Value through other Comprehensive Income :**

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

#### **(u) Dividend Distribution to Equity-holders**

The Company recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

#### **(v) 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.

**(w) Provisions & Contingent Liabilities:**

**Provisions:**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

**Contingent Liabilities:**

A disclosure for contingent liabilities is made 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 embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**(x) Financial Assets at Fair Value through Profit or Loss Account:**

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.

**(y) Financial Liabilities:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

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

**(z) Reclassification of Financial Assets & Liabilities:**

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.

**(aa) 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 no intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)

Note no 2:- Property Plant and Equipment:-

(amount in Lakhs)

Sr No	Particulars	ASSET					DEPRECIATION						WDV as on 31.03.2020	WDV as on 31.03.2019
		Opening Balance as on 01.04.2019	Asset acquired on Merger	Addition During the year	Sold/ Disposed During the year	Balance as on 31.03.2020	Balances as at April 1, 2019	Add:- Accumulate Depreciation on assets purchases on merger	Depreciation charge for the year	Depreciation on asset sold/ disposed off	Total Depreciation upto 31.03.2020			
1	Freehold Land	-	5,250.00	-	-113.36	5,136.64	-	-	-	-	-	5,136.64	-	
2	Leasehold Land	2,340.80	4,682.40	-	-	7,023.20	113.56	153.52	114.67	-	381.75	6,641.45	2,227.24	
3	Building	1,418.21	415.80	17.05	-	1,851.07	155.22	19.34	73.57	-	248.14	1,602.93	1,262.99	
4	Plant and equipment	2,022.59	4,759.51	994.92	-	7,777.02	351.03	227.38	368.12	-	946.53	6,830.49	1,671.56	
5	Office equipments	-	10.34	1.84	-	12.18	-	2.77	2.26	-	5.03	7.15	-	
6	Electrical Installation	-	118.22	11.42	-	129.64	-	1.08	11.85	-	12.93	116.70	-	
7	Furniture and Fixtures	22.04	11.39	0.21	-	33.64	9.83	0.93	3.66	-	14.42	19.22	12.21	
8	Computers	-	12.80	0.87	-	13.67	-	5.74	4.16	-	9.90	3.77	-	
9	Vehicles	242.83	9.07	3.36	-	255.26	58.43	1.72	35.02	-	95.17	160.09	184.40	
	Total	6,046.47	15,269.53	1,029.67	-113.36	22,232.32	688.08	412.48	613.31	-	1,713.87	20,518.44	5,358.39	
	Previous Years	5,219.38		827.09	-	6,046.47	436.45	-	251.63	-	688.08	5,358.39	4,782.93	

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Notes to financial statements for the year ended March 31, 2020

Note 3 : Capital work-in-progress

(amount in Lakhs)

Particulars	As on 31.03.2020	As on 31.03.2019
Capital work-in-progress	52.34	22.33
<b>Total</b>	<b>52.34</b>	<b>22.33</b>

Note 4 : Non-current investments

Particulars	As on 31.03.2020	As on 31.03.2019
<b>Investment at Fair Value Through Other Comprehensive Income (FVTOCI)</b>		
<b>Investment in Equity Instruments</b>		
1,34,784 Eq Shares of M/s Nath Biogene (I) Ltd (Quoted , Face Value per share Rs. 10/-, Market Value per share is Rs. 136.10/- per share)	183.44	508.04
( Previous year 1,10,000 Equity Shares of M/s Nath Biogene (I) Ltd - Quoted, Face Value per share Rs. 10/-, Market Value per share as on 31.03.2019 is Rs. 411.70/- per share)		
Unquoted shares		
2,000 Eq Shares of M/s Saraswat Co-operative Bank Ltd	0.20	-
51 Eq Shares of Zoaratrian Co-Operative Bank	0.05	0.02
<b>Total</b>	<b>183.69</b>	<b>508.06</b>
Aggregate amount of quoted investments (Cost)	262.56	223.41
Aggregate amount of quoted investments (Market Value)	183.44	508.04
Aggregate amount of unquoted investments	0.25	0.02
Aggregate amount of impairment in value of investments	-	-

Note 5 : Non-current Security Deposit :-

Particulars	As on 31.03.2020	As on 31.03.2019
Security deposits	411.51	232.64
<b>Total</b>	<b>411.51</b>	<b>232.64</b>

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Notes to financial statements for the year ended March 31, 2020

**Note 6 : Non-current Earmarked Deposits**

Particulars	As on 31.03.2020	As on 31.03.2019
Earmarked deposits with maturity more than 12 months		
Deposits with banks (Earmarked towards BG)	16.29	16.29
<b>Total</b>	<b>16.29</b>	<b>16.29</b>

**Note 7 : Non-current Loans and advances:-**

Particulars	As on 31.03.2020	As on 31.03.2019
Loans and Advances	329.44	288.93
Mat Credit Entitlement	572.35	-
<b>Total</b>	<b>901.79</b>	<b>288.93</b>

**Note 8 : Other non-current assets**

Particulars	As on 31.03.2020	As on 31.03.2019
Advances for land development	674.71	683.08
Advances for purchase of land	1,325.40	1,385.50
Deferred Sales Tax Receivable	1,190.65	-
<b>Total</b>	<b>3,190.76</b>	<b>2,068.58</b>

**Note 9 : Inventories**

Particulars	As on 31.03.2020	As on 31.03.2019
Raw Materials	846.20	311.09
Raw Material in transit	-	16.28
Coal/Lignite Stock	40.37	17.94
Dyes and Chemicals	483.46	49.29
Stores, Spares & Tools	453.92	65.17
Finished Goods	1,038.96	510.43
Stock In Process	115.96	114.85
<b>Total</b>	<b>2,978.87</b>	<b>1,085.05</b>

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Notes to financial statements for the year ended March 31, 2020

Note 10 : Trade receivables

Particulars	As on 31.03.2020	As on 31.03.2019
<u>Due for a period of more than six months</u>		
Unsecured, considered good	171.07	112.25
Doubtful	-	-
Less : Provision for doubtful debts	-	-
Total Debtors o/s for more than 6 months	171.07	112.25
<u>Others</u>		
Secured, considered good	50.50	-
Unsecured, considered good	4,291.61	1,930.67
Doubtful	-	-
Total Other o/s Debtors	4,342.11	1,930.67
	-	-
<b>Total</b>	<b>4,513.18</b>	<b>2,042.92</b>

Note 11 : Cash and Cash Equivalents

Particulars	As on 31.03.2020	As on 31.03.2019
Cash and cash equivalents		
Balances with Scheduled banks	239.64	1.73
Cash on hand	9.95	1.89
	-	-
<b>Total</b>	<b>249.59</b>	<b>3.62</b>

Note 12 : Other current financial assets

Particulars	As on 31.03.2020	As on 31.03.2019
Interest accrued on deposits	10.47	7.05
Interest receivable	22.61	24.12
Advances to Employees	25.44	12.51
Export Incentive Receivable	27.53	1.72
<b>Total</b>	<b>86.05</b>	<b>45.40</b>

Note 13 : Other Current Assets

Particulars	As on 31.03.2020	As on 31.03.2019
Prepaid expenses	20.49	18.37
Advance for Expenses	11.12	3.68
Balances with government authorities	890.34	49.64
Advances to suppliers	435.77	149.62
	-	-
<b>Total</b>	<b>1,357.72</b>	<b>221.31</b>

Note 14 : Equity Share Capital

(amount in Lakhs)

Particulars		As on 31.03.2020		As on 31.03.2019
<b>Share capital</b>				
Authorised :		5,350.00		1,250.00
5,35,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,25,00,000 Equity Shares of Rs 10 each)				
Issued, Subscribed and Fully Paid up :				
1,90,00,000 Equity Shares of Rs. 10/- each (Previous Year 1,10,00,000 Equity Shares of Rs.10 each)		1,900.00		1,100.00
<b>(a) Reconciliation of Number of Shares</b>				
Issued, Subscribed and Fully Paid up :				
Equity Shares as on 31.03.2019		1,100.00		1,100.00
Less : Reduction in Capital (Trfd. to Capital Reserve) - by reducing face value from Rs. 10/- to Rs. 5/- 1,10,00,000 Equity Shares of Rs. 5/- each		-550.00 550.00		- 1,100.00
<b>Consolidation of Equity Shares of Rs. 5 each into Rs. 10 each</b>				
55,00,000 Equity Shares of Rs. 10/- each		550.00		1,100.00
Add : Issued during the year		-		
90,00,000 Equity Shares of Rs. 10/- each to the shareholders of Nath Industrial Chemicals Ltd		900.00		-
45,00,000 Equity Shares of Rs. 10/- each to the shareholders of Nath Pulp and Paper Mills Ltd		450.00		-
Total Equity Share capital As on 31.03.2020		1,900.00		1,100.00
<b>( b ) List of Shareholders holding more than 5% of the total Number of Share issued by the Company</b>	<b>No of shares</b>	<b>Holding %</b>	<b>No of shares</b>	<b>Holding %</b>
M/s. Akash Farms LLP	69,27,809	36.46%	24,74,494	22.50%
M/s Ashu Farms LLP	59,39,745	31.26%	-	-
M/s. Tapovan Paper Board Pvt Ltd	10,00,000	5.26%	-	-
M/s Mayo Farms LLP	6,15,492	3.24%	12,30,984	11.19%
M/s Tapovan Farms LLP	3,75,362	1.98%	6,91,000	6.28%

Note 15 : Other equity

Particulars		As on 31.03.2020		As on 31.03.2019
Capital Subsidy		45.00		45.00
<b>Capital Reserve</b>				
Opening Balance as on 01.04.2019		0.20		0.20
Add:- Reduction in Share face value from Rs. 10 each to Rs 5 each		550.00		-
<b>Add: Bargain gain on Purchase</b>				
- Nath Industrial Chemicals Ltd		16.70		-
- Nath Pulp and Paper Mills Ltd		3.17		-
Total Capital Reserve as on 31.03.2020		570.07		0.20
<b>Forfeited Share App. Money</b>				
		31.25		31.25
<b>Share Premium</b>				
Opening Balance as on 01.04.2019		150.00		150.00
Add : Towards Equity Shares issued during the year to		-		
- Shareholders of Nath Industrial Chemicals Ltd		5,040.00		-
- Shareholders of Nath Pulp and Paper Mills Ltd		2,520.00		-
Total Share Premium as on 31.03.2020		7,710.00		150.00
<b>General Reserve</b>				
		300.00		300.00

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Notes to financial statements for the year ended March 31, 2020

<b>Retained Earnings</b>			
Opening Balance as on 01.04.2019		6,156.46	5,007.04
Add:- Adjustment due to merger		2,928.42	
Add:- Adjustment of Deferred Tax of Earlier years		-	771.18
Add:- Net profit after Tax for the year		1,821.20	378.24
<b>Total Retained earning as on 31.03.2020</b>		<b>10,906.08</b>	<b>6,156.46</b>
<b>Other Comprehensive Income</b>			
Opening Balance as on 01.04.2019		284.63	224.60
Less:- Adjustment due to merger		-34.76	-
Less: Other Comprehensive Loss for the year		-363.74	60.03
<b>Total OCI as on 31.03.2020</b>		<b>-113.87</b>	<b>284.63</b>
<b>Total</b>		<b>19,448.53</b>	<b>6,967.54</b>

Note 16 : Non-current Borrowings

Particulars	As on 31.03.2020	As on 31.03.2019
Zoarastrian Co-operative Bank	369.42	-
Vehicle Loan	70.25	101.40
		-
<b>Total</b>	<b>439.67</b>	<b>101.40</b>

Note 17: Deferred Sales Tax Liabilities

Particulars	As on 31.03.2020	As on 31.03.2019
	-	
Deferred Sales Tax Liabilities - VAT	2,195.83	-
Deferred Sales Tax Liabilities - SGST	1,190.65	-
	-	
<b>Total</b>	<b>3,386.48</b>	<b>-</b>

Note 18: Provisions (Non-current)

Particulars	As on 31.03.2020	As on 31.03.2019
Provision for gratuity	439.24	43.06
Provision for leave encashment	90.71	22.30
<b>Total</b>	<b>529.95</b>	<b>65.36</b>

Note No 19:- Deferred Tax Liabilities / (Asset)

Particulars	As on 31.03.2020	As on 31.03.2019
<b>Deferred Tax Liability</b>		
Fixed Assets	2,698.25	418.02
<b>Deferred Tax Asset</b>		
Employee Benefit	-203.46	-3.56
Unabsorbed Depreciation	-	-
Disallowance	-	-
	2,494.79	414.46

Note 20: Current Borrowings

Particulars		As on 31.03.2020		As on 31.03.2019
		-		
Short Term Bank Borrowing		1,353.77		1,526.77
Inter-corporate Deposits		973.31		500.00
		-		
Total		2,327.08		2,026.77

Note 21 : Trade payables

Particulars		As on 31.03.2020		As on 31.03.2019
		-		-
Outstanding dues of micro and small enterprises		-		-
Others		2,211.32		841.67
		-		-
Total		2,211.32		841.67

Note 22 : Other current financial liabilities

Particulars		As on 31.03.2020		As on 31.03.2019
Current maturity of long term loans		298.13		31.98
Deferred Sales Tax (Current Maturity)		124.03		-
		-		-
Total		422.16		31.98

Note 23 : Other current liabilities

Particulars		As on 31.03.2020		As on 31.03.2019
Advance from customers		107.36		45.72
Trade deposits		266.12		61.50
Statutory Liabilities		132.80		49.52
Other Liabilities		142.15		32.19
		-		-
Total		648.43		188.93

Note 24 : Provisions (Current)

Particulars		As on 31.03.2020		As on 31.03.2019
Provision for expenses		123.08		114.24
Provision for gratuity		90.30		16.37
Provision for leave encashment		26.46		-
Provision for bonus		51.97		7.74
		-		-
Total		291.81		138.35

Note No 25-Current Tax Liabilities (Net)

Particulars		As on 31.03.2020		As on 31.03.2019
Income Tax Provision A.Y. 2019-20		17.06		121.57
Add: Increase in income tax provision due to Merger		7.62		-
Less: Advance Tax				-100.00
Less S.A. Tax		-17.18		-
Less:- TCS		-		-1.26
Less TDS		-1.12		-3.25
Net Tax Payable for AY 2019-20		6.38		17.06
Provision for AY 2020-21		356.70		-
Less:- TDS		-3.07		-
Net Tax Payable for AY 2020-21		353.63		-
Total Current Tax Liabilities		360.01		17.06

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Notes to financial statements for the year ended March 31, 2020

Note 26 : Revenue from operations

(amount in Lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Manufacturing</b>		
Papers	20,542.94	9,792.22
Chemicals	8,855.37	1,243.54
Other revenues	441.16	208.96
<b>Trading</b>		
Waste papers	68.08	824.53
Chemicals	12.99	1,665.65
<b>Total</b>	<b>29,920.54</b>	<b>13,734.90</b>

Note 27 : Other income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest income</b>		
- from banks	3.84	1.52
- from others	43.72	24.12
Dividend income	0.14	-
Insurance claim	41.26	-
Gain on Sale of Land	74.20	-
Capital gains on mutual fund	-	-
Other miscellaneous income	18.21	0.30
Bad Debt Written back	5.21	-
<b>Total</b>	<b>186.58</b>	<b>25.94</b>

Note 28 : Cost of material consumed

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials		
Opening stock	1,128.86	463.58
Add : Purchases	17,488.98	6,668.31
Less : Closing stock	-1,329.66	-376.65
<b>Total</b>	<b>17,288.18</b>	<b>6,755.24</b>

Note 29 : Purchase (Trading)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Waste paper	47.13	804.51
Acid	11.10	1,646.06
<b>Total</b>	<b>58.23</b>	<b>2,450.57</b>

Note 30 : Changes in inventories:-

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock of finished goods & work-in progress	1,165.50	607.85
Closing stock of finished goods & work-in progress	-1,154.92	-625.28
<b>Total</b>	<b>10.58</b>	<b>-17.43</b>

Note 31 : Employee benefits expense

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries & wages	1,689.74	391.59
Contribution to provident fund and other funds	114.74	32.64
Staff welfare expenses	118.22	97.26
<b>Total</b>	<b>1,922.70</b>	<b>521.49</b>

Note 32 : Finance costs

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest on Working Capital	333.68	180.83
Interest on term loans	83.40	7.47
Interest on trade deposits	14.37	8.58
Interest to others	11.55	0.01
<b>Total</b>	<b>443.00</b>	<b>196.89</b>

Nath Industries Limited (Formerly known as Rama Pulp and Papers Limited)  
Notes to financial statements for the year ended March 31, 2020

Note 33 : Other expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Stores ,Spares & Packing Material Consumption	1,155.09	502.17
Power & fuel	3,911.91	1,565.27
Water charges	208.18	49.12
Repair to others	31.06	3.74
Repairs to building	3.17	105.58
Repairs to plant & machinery	287.56	81.04
Other Manufacturing Expenses	217.92	-
Hire charges - fork lift	15.37	8.31
Insurance charges	27.37	12.10
Transportation & materials handling	147.09	103.69
Technical consultation charges	31.50	24.00
Discount on sales	856.98	467.65
Freight outward charges	382.17	53.82
Bank charges	20.51	10.60
LC discounting charges	-	10.99
Processing charges - bank loan	9.20	5.25
Auditor's fees	3.50	1.00
Auditors re-imbusement expenses	0.50	1.34
Internal and Tax Auditors Reimbursement Expenses	1.50	-
GST Audit fees	0.50	-
Tax audit fees	3.00	0.40
Internal audit fees	3.13	3.83
ITC reversal due to OGS/BT	7.44	-
Mvat Dues	23.39	0.02
Excise and Service Tax Amensty Scheme Payment	41.04	-
Corporate social responsibility expenses	8.00	-
Donation	0.51	0.11
Director's sitting fees	0.60	-
Legal & professional fees	155.09	45.66
License, inspection and testing charges	10.79	2.62
Listing fees	3.00	2.50
Membership fees & subscription	3.37	2.19
Depository service charges	2.63	1.59
Business Development / Business promotion expenses	17.22	-
Computer expenses	8.52	-
Conveyance	10.08	4.29
Corporate office expenses	5.94	6.44
Garden expenses	10.26	4.74
Motor car expenses	23.29	5.72
Other expenses	44.19	3.63
Postage & telegram	10.30	2.41
Printing & stationery	13.89	5.64
Prior Year Expenses	0.50	2.31
Rent, rates & taxes	35.27	16.79
Security services	33.89	6.73
Sundry balances written off	56.96	23.24
Telephone & telex	7.10	2.61
Traveling expenses	47.07	20.45
<b>Total</b>	<b>7,897.55</b>	<b>3,169.59</b>

**Note No.:34**

**Financial Instruments and Risk Review:**

**i) Capital Management:-**

The Company's capital management objectives are to maintain a strong capital base so as to maintain investors, creditors and market confidence and to future development of the business. The Board of Directors monitor 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	(Rs. In Lakhs)	
	As on 31.03.2020	As on 31.03.2019
Net Debts* (A)	6,575.38	2,160.15
Equity ** (B)	21,348.53	8,067.54
Debt Equity Ratio (A/B)	0.31	0.27

\* Net Debts includes Non-Current borrowings, Deferred Sales Tax Liability, Current borrowings and Current Maturities of non-current borrowing.

\*\* 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 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 and loans and advances:-

(Rs. In Lakhs)

<b>Particulars</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
Trade Receivables	4,513.18	2,042.92
Loans and Advances	329.44	288.93
<b>TOTAL</b>	<b>4,842.62</b>	<b>2,331.85</b>

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 principal cash flows.

(Rs. In Lakhs)

<b>Particulars</b>	<b>F.Y. 2019-20</b>		<b>F.Y. 2018-19</b>	
	<b>Upto 1 Year</b>	<b>Above 1 Year</b>	<b>Upto 1 Year</b>	<b>Above 1 Year</b>
Non-current Financial Liabilities	124.03	3386.48	-	-
Term Loan	298.13	439.67	31.98	101.40

#### 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.

(Rs. in Lakhs)

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	Upto 1 Year	Above 1 Year	Upto 1 Year	Above 1 Year
Non-current Financial Assets:-				
Security Deposits	-	411.51	-	232.63
Fixed Deposit with Bank	-	16.29	-	16.29
Loans and Advances	-	901.79	-	288.93

**d. 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.: 35****Employee Benefits:****Provident Fund:**

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

(Rs. in Lakhs)

Particulars	FY 2019-20	FY 2018-19
Employers Contribution to Provident Fund	83.92	22.53
Employers Contribution to ESIC	30.52	10.10
Employers Contribution to Labour Welfare Fund	0.30	0.01

**Gratuity :**

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

Actuarial Assumptions	31.03.2020			31.03.2019
	Unit Rama Paper	Unit Nath Chemicals	Unit Nath Paper	
Discount Rate	7.63%	6.63%	7.59%	7.63%
Salary Escalation Rate	5%	7%	7%	7%
Expected rate of return Plans assets	N.A.	N.A.	N.A.	N.A.
Expected average remaining service of employee in the number of years	-	-	-	

Disclosures for defined benefit plans based on Actuarial Reports as at 31st March 2020

**b. Change in Present Value of Defined Benefit Obligation (Gratuity) :-**

(Rs. in Lakhs)

<b>Change in present value of Obligation</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
Present Value of Obligation as at 1st April , 2019	59.43	49.88
Liability as on 01.04.2019 of amalgamating companies	435.15	-
Interest Cost	37.22	3.72
Current Service Cost	24.75	4.85
Benefit Paid	-41.39	-0.47
Actuarial (gain) /loss on obligation	14.39	1.45
Present value of Obligation as at 31 <sup>st</sup> March, 2020.	529.55	59.43

**c. Change in Fair value of plan assets**

<b>Change in Fair value of Plans Assets</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Fair Value of plan Assets as at 1 <sup>st</sup> April ,2019	NIL	NIL
Actual Return on plan Assets	NA	NA
Contributions	NA	NA
Benefit Paid	NA	NA
Actuarial gain/(loss) on plan Assets	NA	NA
Fair Value of Plan Assets as at 31 <sup>st</sup> March , 2020	NIL	NIL

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

( Rs. in Lakhs)

<b>Reconciliation of present value of defined benefit obligation and the fair value of assets</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
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	<b>529.55</b>	<b>59.43</b>
Unrecognized past service cost	-	-
Unrecognized actuarial (gain)/loss	-	-
Unfunded net (Assets)/liability recognized in the Balance Sheet as at the end of the year	<b>529.55</b>	<b>59.43</b>

e. **Net employee benefit expense (Recognized in employment cost) for the year ended on 31st March 2020:-**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Current Service Cost	24.75	4.85
Interest Cost	37.22	4.50
Expected return on plan assets	-	-
Net Actuarial (Gain) / Loss recognized in the year	14.39	1.45
Past Service cost	-	-
Net Gratuity (income) / expense	<b>76.36</b>	<b>10.80</b>

f. **Detail of Present value of obligation, Plan Assets and Experience Adjustments:-**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Present value of obligation	529.55	59.43
Fair value of plan assets	-	-
(Surplus) / Deficit	529.55	59.43
Experience Adjustment	-	-
(Gain)/ Loss on plan liabilities	-	-
(Gain)/ Loss on plan assets	-	-

**Leave Encashment :**

The liability for leave encashment and compensated absences as at year end is as under:-

(Rs.in Lakhs)

<b>Particulars</b>	<b>31.03.2020</b>	<b>31.03.2019</b>
Liability for leave encashment and compensated absence	117.17	22.30

**Note No.: 36**

**Secured Loans**

- Loans Repayable on demand or on due date availed from the State Bank of India is primarily secured by Hypothecation of present & future stock of raw materials, Stock in process, finished goods, Stores & spare parts and Book debts. This facility is additionally secured by the registered mortgage on existing leasehold land admeasuring 23,490 sq mtr with building and structure thereon, including all machineries at industrial Plot No 293, 296 in industrial area bearing survey no. 55/P, 57/P, 67P, 68P and 139P, within the limits of Chirri and Chanod, Vapi, Taluka Pardi, Dist Valsad - 396195.
- Term loan availed from Zoroastrian Co-op Bank Limited is primarily secured by the hypothecation of new plant and machinery. Loans Repayable on demand or on due date availed from Zoroastrian Co-op Bank Limited is primarily secured by Hypothecation of present & future stock of raw materials, Stock in process, finished goods, Stores & spare parts and Book debts. Both these facilities are additionally secured by the registered

mortgage on existing leasehold land admeasuring 21,205.80 sq mtr and building thereon at Plot No 295, Phase 2, Industrial Estate, GIDC, Vapi- 396195 and hypothecation of existing plant and machinerries.

- c. Vehicle loans availed are secured against the hypothecation of respective vehicles.  
d. Maturity profile of term loans is as under:-

(Rs.in Lakhs)

F.Y.2019-20		F.Y. 2018-19	
Upto 1 Year	1 to 3 years	Upto 1 Year	1 to 3 years
298.13	439.67	31.98	101.40

**Note No.:37**

**CIF Value of Imported & Indigenous Material and Components**

Value of Imported and Indigenous Material and Components consumed as on 31<sup>st</sup> March 2020 is as under: (on CIF Basis)

(Rs. In Lakhs)

Account Head	F.Y. 2019-20		F.Y. 2018-19	
<b>(a) Raw Material</b>				
Imported	7,628.32	44.12	4,078.23	60.37
Indigenous	9,659.86	55.88	2,677.01	39.63
<b>Total</b>	<b>17,288.18</b>	<b>100.00</b>	<b>6,755.24</b>	<b>100.00</b>
<b>(b) Stores and Spare Part</b>				
Imported	5.59	0.48	0.49	0.10
Indigenous	1,149.50	99.52	501.68	99.90
<b>Total</b>	<b>1,155.09</b>	<b>100.00</b>	<b>502.17</b>	<b>100.00</b>

**Note No.: 38**

**Deferred Tax Asset/(Liability):**

Company's Deferred Tax Asset/(Liability) position is as under:

(Rs. in Lakhs)

	As on 31.03.2020	As on 31.03.2019
<b>Assets</b>		
(a) Deferred tax assets arising on account of timing differences:-		
(i) Unabsorbed business loss / Depreciation	-	-
(ii) Employee Benefits	203.46	3.56
<b>Liability</b>		
(b) Deferred Tax Liabilities arising on account of timing differences in WDV	2,698.25	418.02
<b>Net Deferred Tax Asset</b>	-	-
<b>Net Deferred Tax Liability</b>	<b>2494.79</b>	<b>414.46</b>

**Note No.:39**

**Related Party Transactions-**

**a. Details of Related Parties**

**i. Key Management Personnel :-**

Shri Ramniklal Salgia ,Director  
Shri Akhilesh Kumar Sharma, Director  
Shri Abhay Kumar Jain, Director  
Shri Amol Deo ,Chief Financial Officer  
Ms Nupur Lodwal ,Company Secretary

**ii. Non-Executive/Independent Directors on the Board**

Mrs. Jeevanlata Kagliwal  
Shri Shrirang S. Agarwal, Independent Director  
Shri Kashinath G. Iyer, Independent Director

**iii. Relatives of Key Management Personnel**

Smt Pratima Sharma, Manager  
Smt. Rajni Jain, Manager

**b. Transaction during the Year**

(Rs. in  
Lakhs)

<b>Sr. No.</b>	<b>Particulars</b>	<b>Year Ended 31<sup>st</sup> March 2020</b>	<b>Year ended 31<sup>st</sup> march 2019</b>
1)	Remuneration paid to Key Managerial Personnel and Relatives	92.92	23.89

Note: The remuneration paid to key managerial personal excludes gratuity and compensated absences as the provision is computed for the Company as a whole and separate figures are not available.

**c. Other Related Parties:-**

- i. M/s Akash Farms LLP
- ii. M/s Ashu Farms LLP
- iii. M/s Tapovan International Trading Private Limited
- iv. Mrs Sweta Kagliwal
- v. Wexford Trading Company Private Limited
- vi. Prabha Farms Private Limited
- vii. Paresh Farms Private Limited
- viii. Paithan Mega Food Park Private Limited
- ix. Wellspring Enterprises Private Limited

**d.** Transactions carried out with related parties are in the ordinary course of business and the transactions are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured. Transaction details are as under:

(Rs. in Lakhs)

Sr No	Name	Nature of Transaction	F.Y. 2019-20	F.Y. 2018-19
i.	Tapovan International Trading Pvt Ltd	Purchase of waste paper	1,867.42	-
ii.	Akash Farms LLP	Advance given for purchase of Land	85.50	65.50
iii.	M/s Ashu Farms LLP	Loan given	11.50	-
iv.	Mrs. Sweta Kagliwal	Consultancy Fees paid in her professional capacity	15.00	
v.	Wexford Trading Company Private Limited	Advance given for Purchase of Land	469.42	201.00
		Loan given	170.59	162.58
vi.	Prabha Farms Private Limited	Loan given	5.00	5.00
vii.	Paresh Farms Private Limited	Advance given for Purchase of Land	115.00	115.00
viii.	Paithan Mega Food Park Private Limited	Advance given for Purchase of Land	319.00	0
ix.	Wellspring Enterprises Private Limited	Advance given for land development	674.71	683.08

## e. Outstanding Balances at the year end:-

(Rs. in Lakhs)

Sr No	Name	As on 31.03.2020	As on 31.03.2019
i.	Tapovan International Trading Pvt Ltd	259.44 (cr)	-
ii.	Akash Farms LLP	85.50 (dr)	65.50 (dr)
iii.	M/s Ashu Farms LLP	11.50 (dr)	-
iv.	Mrs. Sweta Kagliwal	-	--
v.	Wexford Trading Company Private Limited	640.01 (dr)	363.58(dr)
vi.	Prabha Farms Private Limited	5.00 (dr)	5.00 (dr)
vii.	Paresh Farms Private Limited	115.00 (dr)	115.00 (dr)
viii.	Paithan Mega Food Park Private Limited	319.0 (dr)	--
ix.	Wellspring Enterprise Private Limited	674.71 (dr)	683.08 (dr)

**Note No.:40****Contingent Liabilities not provided for :**

(Rs. in Lakhs)

<b>Particulars</b>	<b>As on 31.03.2020</b>	<b>As on 31.03.2019</b>
i) Bank Guarantee given to the DGVCL	189.00	189.00
ii) Bank Guarantee given to the GPCB	6.25	1.25
iii) Compensation awarded by the court not claimed / Suits filed	1.25	1.25
iv) a. Service tax demand for the period 16.5.2008 to 31.03.2010 of Rs. 259.56 lakhs. Appeal by the company is pending before Customs excise & Service Tax Appellate Tribunal, Ahmadabad. b. Disputed Demand of Central Excise & Service Tax of Rs. 74.36	333.92	259.56
v) Appeal pending with Tribunal against Excise Demand of Rs. 9.92 lakhs for reversal of Modvat which is not provided in books, Company has paid Rs. 1.08 lakhs.	8.84	-
vi) Appeal pending with Commissioner (A) against Custom Demand of Rs. 7.19 lakhs for interpretation of Sulphur which is not provided in books, Company has paid Rs. 0.54 lakhs	6.65	-
vii) Income Tax Liability- department has preferred appeal to ITAT against CIT(A) order which are in favor of company for A.S. 2013/14 No provision is made for liability of Rs. 1,06.06 lakhs/- in case ITAT decides appeal against company.	-	106.06
viii) Corporate Guarantee and collateral security of land admeasuring to 4.47 acres given to Malkapur Urban Co-Op Bank Limited for working capital limit availed by Tapovan International Trading Pvt Ltd.	600.00	
ix) One of the vendors has made a claim against the Company for Rs. 90.39 lakhs against the Company's counter claim on the vendor of Rs. 281.17 lakhs. The Company is in arbitration with the said the vendors. The management is of the opinion that no additional liability would arise.	-	-
x) Disputed demands of Water Cess (MPCB)	15.98	-
xi) Disputed demand of Property Tax from Wahegaon Gram Panchayat	27.13	-
xii) Deferred sales tax Liability transferred to another Company (with recourse)	1586.36	-
xiii) Capital Commitments :- Estimated amount of contracts remaining to be executed and not provided for tangible assets	38.30	7.78

**Note No.:41**  
**Foreign Exchange Difference**

All exchange gains and losses arising out of translation/restatement, are accounted for in the statement of profit and loss.

(Rs. in Lakhs)

<b>Particulars</b>	<b>F.Y. 2019-20</b>	<b>F.Y. 2018-19</b>
<b><u>Earnings in Foreign Exchange:-</u></b>	2,457.78	1173.94
Receipt against Export of Goods		
<b><u>Expenditure in Foreign Currency:-</u></b>		
Purchase of Imported Raw Materials	7621.73	3886.65
Purchase of Imported Stores	5.59	9.22
<b><u>Foreign Exchange Gain / (Loss)</u></b>	40.32	4.07

**Note No.:42**  
**Segment Reporting :**

**i) Primary Segment:-**

After the amalgamation, the company is engaged in manufacturing of Paper & chemicals. Management has identified reportable primary Segment & Geographic secondary Segment in accordance with Accounting Standard 108 issued by the Institute of Chartered Accountants of India. Revenue & Expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to a specific segment have been allocated on the basis of associated revenue of the segment and manpower efforts. All other expenses which are not attributable or allocable to segment have been disclosed as un allocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un allocable.

(Rs. in Lakhs)

<b>Particulars</b>	<b>Paper</b>	<b>Chemical</b>	<b>Total</b>
Revenue (Net)	21,050.92	8,869.62	29,920.54
Other Income	162.86	23.72	186.58
<b>Total Revenue</b>	<b>21,213.78</b>	<b>8,893.34</b>	<b>30,107.12</b>
Expenses	19,566.34	7,610.90	27,177.24
Depreciation	352.56	260.75	613.31
<b>Operating Income</b>	<b>1,294.88</b>	<b>1,021.69</b>	<b>2,316.57</b>
Un-allocable Expenses			
Finance Cost			443.00

<b>Un-allocable Tax</b>			
Income Tax			356.70
Deferred Tax			268.01
MAT Credit			-572.34
Total Expenses			495.37
Profit after tax			1,821.20
<b>Other Information</b>			
<b>Assets</b>			
Non Current Assets	15,981.02	9,293.81	25,274.82
Current Assets	7,876.44	1,308.96	9,185.40
<b>Equity and Liabilities</b>			
Non Current Liability	4,313.16	2,537.73	6,850.89
Current Liability	5,146.65	1,114.15	6,260.81

**ii) Secondary Segment:-**

Geographical Revenue is allocated based on the location of the customer.

The company produces and sales, its products in India & also Export the same directly or indirectly to overseas countries. The overseas sales operations are managed by its office located in India. For the purpose of AS 108 regarding segment reporting secondary segment information on geographical segment is considered on the basis of revenue generated from Domestic & Export market.

(Rs. in Lakhs)

Particulars	F.Y. 2019-2020			F.Y. 2018-2019		
	Domestic	Export	Total	Domestic	Export	Total
Revenue	27,462.76	2,457.78	29,920.54	12554.87	1173.94	13728.81
Carrying Amount of Trade Receivable	4,288.75	224.43	4,513.18	1,928.61	114.31	2,042.92
Carrying amount of Assets other than Trade Receivable	4,672.23	-	4,672.23	1,355.39	-	1,355.39
Addition to Fixed Assets & Intangible Assets	849.70	179.97	1,029.67	827.09	-	827.09

**NOTE No.:43**

**Deferred Sales Tax Liability**

Nath Industries Limited –Unit Nath Paper is the beneficiary of Package Scheme of Incentive (PSI-1988) of Government of Maharashtra. As per the scheme Unit-Nath Paper is eligible to defer its VAT/ SGST liability for a period of 10 years from the respective year of collection and the same will be paid from 11<sup>th</sup> year in 5 equal annual instalment.

The Department of Industries, Government of Maharashtra has sanctioned vide their letter dated 07.12.2015 the Eligibility for the CQB of Rs. 1951.75 lakhs under PSI-1988, for a period of 5 years i.e. from 1st November, 2015 to 31st October, 2020

Deferred Sales tax Liability of MVAT/ SGST has not been valued at fair value, which would have been Rs 1841.25 lakhs 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 the schedule of repayment.

**Note No.:44**

**Earning Per Share:**

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:

<b>Particulars</b>	<b>Current Year</b>	<b>Previous Year</b>
Profit Before tax (Rs.in Lacs)	1,873.57	432.86
Tax Provision (Net of MAT Credit) (Rs. in Lacs)	52.37	54.62
<b>Profit after tax</b>	<b>1,821.20</b>	<b>378.24</b>
Weighted Average Number of Equity Shares	19,000,000	11,000,000
Basic & Diluted Earning per Share (EPS)	9.59	3.44
Face Value per share Rs.	10	10

**Note No.:45**

**Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Act, 2006:**

The Company has asked for confirmations from suppliers and service providers who have registered themselves under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) However no confirmations or information was received or available with the Company as on date of signing of final accounts, Hence information about the balance of Principal amount and the Interest due thereon remaining unpaid to supplier registered under Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006 is not available.

**Note No.:46**

**Corporate Social Responsibility (CSR) in terms of section 135 of Companies Act:**

(Rs.in Lakhs)

<b>Corporate Social Responsibility Expenditure</b>	<b>F.Y.2019-20</b>	<b>F.Y. 2018-19</b>
(a) Gross amount required to be spent by the Company during the year	NIL	Nil
(b) Expenditure towards Corporate Social Responsibility Activities comprises of overhead expenses of Rs. 8.00 lakhs	8.00	Nil

**Note No.: 47**

**Impact of COVID-2019**

The operations of the Company were affected in the month of March 2020 due to the temporary shutdown of its factories in due compliance of the nationwide lockdown declared on 24th March, 2020 by the Government of India on account of COVID-19 pandemic. The operations/production have commenced in a phased manner in its factories since April/May 2020 adhering to the guidelines/permissions of government authorities as applicable. As per Company assessment, no material impact is expected due to COVID-19 on the carrying values of assets and liabilities as at the year ended 31st March, 2020. The above evaluations are based on analysis of the management and internal and external information available up to the date of approval of these financial statements, which are subject to uncertainties that COVID-19 outbreak might pose on economic recovery. In the prevailing circumstances, the Company does not expect any impact of COVID-19 on its ability to continue as a going concern.

**Note No.:48**

**Previous year Figures**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

In term of our report attached

**For Vidya & Co,**  
**Chartered Accountants**  
Firm Reg. No. 308022E

**For and on behalf of the Board**

Amit Nagar

M.No.: 056156

UDIN: 20056156AAAADH9380

Place : Mumbai

Date: 24<sup>th</sup> July 2020

Abhaykumar Jain

Director

Akhilesh K. Sharma

Director

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